

JPRS-SEA-87-109
9 SEPTEMBER 1987



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JPRS Report

East Asia

Southeast Asia

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EAST ASIA
SOUTHEAST ASIA

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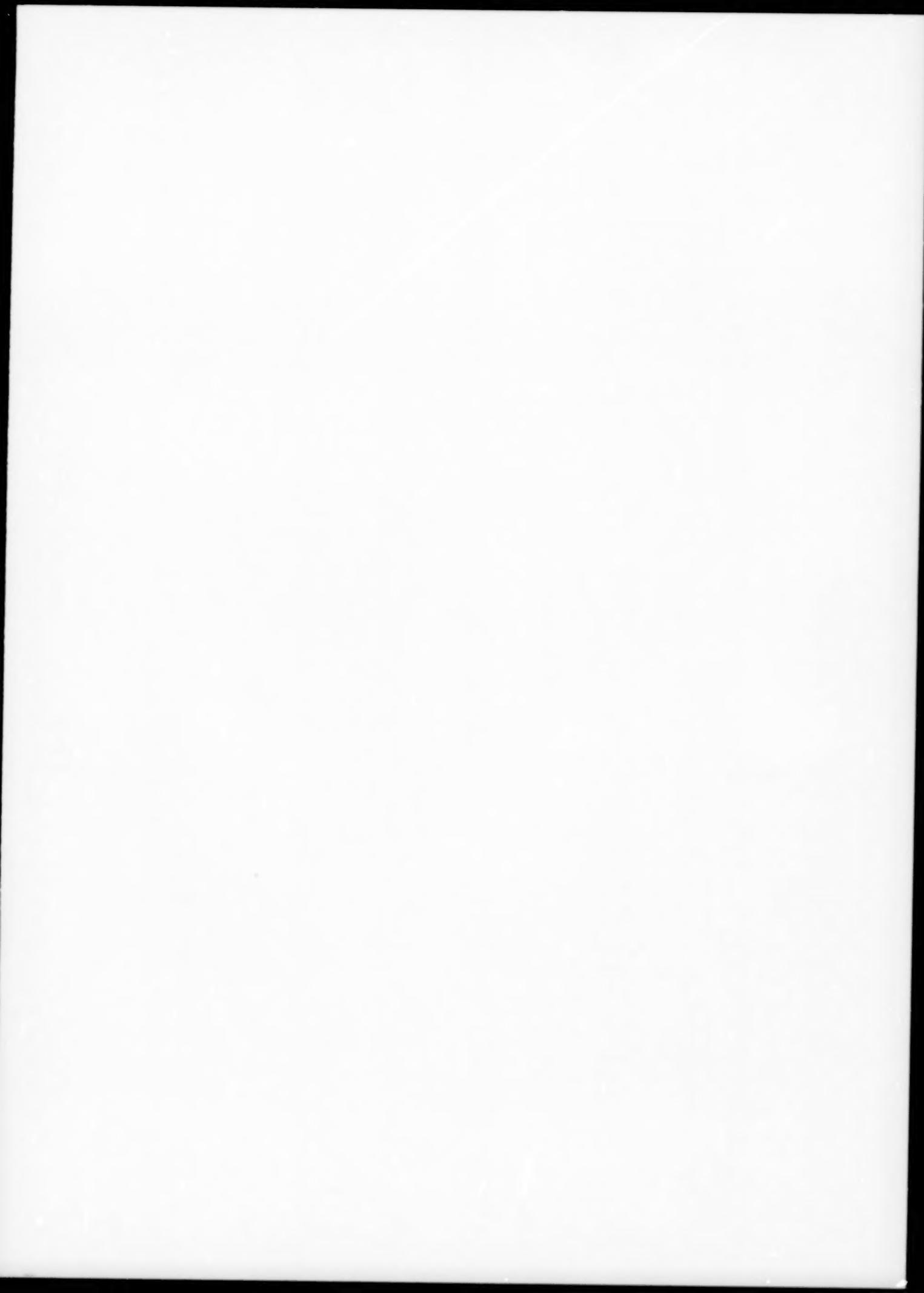
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SUGAR EXPORT LOSSES BLAMED ON U.S., EEC

Sydney THE AUSTRALIAN in English 24 Jul 87 p 12

[Editorial: "US Folly on Sugar"]

[Text]

THE world market for sugar has been severely depressed throughout most of the 1980s for precisely the same reasons that caused the grain slump: a chronic oversupply induced by the unreal pricing policies of European and United States farm bodies.

The cost to Australia has been heavy - a loss to national export revenue ranging as high as \$400 million in a single year due to the US policy alone.

For developing countries that are more reliant on sugar as a trade commodity the cost must be measured not merely in dollars, but also in terms of the human hardship and suffering that has been inflicted on the people.

The bitterest irony of all is that, by fixing their domestic sugar prices artificially high, the US and the European Community (EC) have created a price umbrella that has admitted a wide range of alternative and synthetic sweeteners which are effectively destroying the market for natural cane or beet sugar, thus creating further long-term problems for farmers in all countries.

In the US alone, use of alternative sweeteners has risen from zero to almost 5 million tonnes a year, out of a total sweetener consumption of 12 million tonnes.

According to a Bureau of Agricultural Economics report to be

released next week, the four main sweetener manufacturers in the US are enjoying a \$1 billion a year free ride at the expense of their consumers.

And nations such as Australia face the total loss of their entire exports into the US market within a couple of years if the present policy persists.

The true folly of agricultural protectionism can clearly be seen in the havoc it is wreaking on world sugar prices, markets, market access, inflation and in the living standards of people in the main sugar exporting countries.

While the proposal of the US administration to end all agricultural protection globally within 10 years, and its recent plan aimed at lowering the target price for sugar must be welcomed and commended, they remain at this point merely good intentions.

It must be added that it is hard at this stage even to discern good intentions in the EC's sugar regime.

The Federal Minister for Primary Industries and Energy, Mr Kerin, has correctly said there is little point in even talking about a new international sugar agreement unless the cause of the problem is first addressed.

Neither the EC nor the US can evade any longer the moral responsibility for their domestic actions, when they cause hardship and misery on such a universal scale.

/9317

CSO: 4200/815

UNAUTHORIZED USSR SCIENCE VISIT PROMPTS DEFENSE ALERT

Sydney THE AUSTRALIAN in English 24 Jul 87 p 1

[Article by Peter Logue and Ross Peake: "'The Russians Have Landed!'"

[Text]

AN unauthorized visit by Soviet scientists to a secluded bay in Western Australia sparked a major defence alert last week.

A number of sources said last night that the scientists, from the survey vessel Academician Oparin, committed possible breaches of an Australian-Soviet joint fisheries agreement by accompanying Australian scientists on a brief foray into Shark Bay, 300km south of the sensitive North-West Cape naval communications station.

The Defence Department alert was triggered by a vigilant member of the volunteer Coastwatch service, who sent a top-priority "flash" cable to Canberra warning that "the Russians have landed".

After some early moments of panic, the departments of Defence and Foreign Affairs established there had been no major security breach but that the normal protocols had been ignored.

It is understood the four Australian scientists aboard the vessel had asked to go ashore to do further scientific experiments.

However, this landing was not included in the itinerary

for the short cruise, made under the auspices of the Australian Institute of Marine Science in Townsville.

The vessel left Fremantle on July 6 and returned there yesterday morning after the trip to study underwater invertebrates for possible uses in new antibiotics.

Explanation

Officials from the Department of Foreign Affairs went to the vessel immediately it berthed yesterday to ask for an explanation of the unauthorized landing.

It is understood the alarm was raised when the Soviet personnel spoke to campers in the remote bay.

However, it appeared the landing in a small boat - by Soviet personnel - may have breached the guidelines of the joint fisheries research agreement.

A Fremantle Port Authority official confirmed last night the Academician Oparin had berthed there yesterday.

The Soviet survey vessel was authorised to carry out research in the region between July 13 and 16. How-

ever, it is understood that the Defence Department was not notified about the incident until July 20.

Foreign Affairs sources were at pains to stress last night that there was no suggestion the Soviets had any intention of spying on the North-West Cape facility.

The radio base, known as the Harold Holt naval communications station, uses low frequency signals to send commands to submarines while they are underwater.

A foreign affairs spokesman said last night that the Soviets had not technically breached quarantine or Customs regulations because they had previously passed through all formalities in Fremantle.

A foreign affairs source said there were very strict guidelines to prohibit foreign incursions in the waters near the communications station.

The station has been a particular political problem for the Federal Labor Government, with allegations that it has the capability to transmit signals that could activate nuclear-armed missiles.

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CSO: 4200/815

EX NAVY OFFICERS: FIJI COUP ILLUSTRATES DEFENSE WEAKNESSES

Sydney THE AUSTRALIAN in English 27 Jul 87 p 9

[Commentary by Vice Admiral David Leach, former chief of the naval staff, and Commodore Alan Robertson, retired: "How Impotence Is Reducing our Military Options"]

[Text]

THERE were some very disturbing aspects of the recent military coup in Fiji - the first was the apparent absence of Australian intelligence that such an event was possible and that the Minister for Foreign Affairs, Mr Hayden, did not consider his return to Australia more important than a visit to Ireland.

The second point is that, whether or not Australia should have intervened militarily, the reality is Australia's defence force structure did not leave the Government with any realistic military options.

The Australian taxpayer has contributed the equivalent of \$100 billion since the end of the Vietnam war and the only options available were bombing raids by aircraft or bombardment from destroyers' guns. There were no heavy landing craft to take soldiers ashore from HMAS *Torbruk*; no platform from which to operate troop-landing helicopters. Besides, most of the large Chinook helicopters are in mothballs.

There is no way the RAAF's C-130 Hercules or Caribou aircraft can either land soldiers or drop paratroops if faced by hostile ground forces. Further, such troops could not be supported logistically by air. Anyone with an understanding of military operations knows that adequate logistic support is about 90 per cent of military effectiveness.

Perceived threats

As it happened it did not matter this time, but future contingencies in, say, Vanuatu, New Caledonia or Papua New Guinea may call for a range of military options. However, any power or organisation seeking to make trouble in the region has now been given a clear indication that Australia has no effective military capability between the extreme options of delivering not very discriminatory destruction on the one hand, and empty gestures on the other.

Australia's conventional defence wisdom in 1987 is based on false premises: that the main threat to Australia must necessarily arise from some form of direct attack on the mainland; that in the absence of such perceived threats it is necessary to concoct "credible" hypothetical threats; that such hypothetical threats can only arise from a country which has the potential to pose such a direct threat.

It follows that only Indonesia has this potential and, therefore say its proponents, it must be our potential enemy. Further, because countries of the south-west Pacific have neither the population nor the technological expertise, they cannot pose a threat. Ergo, the region is benign.

Defence public servants 1987	
Level 5.....	5
Level 6.....	5
Total.....	10
	(3-star equivalents)
Level 3.....	13
Level 4.....	22
Total.....	35
	(2-star equivalents)
Level 1.....	38
Level 2.....	70
Total.....	108
	(1-star equivalents)
Sub-total.....	153
	(plus 12 unattached)
Total.....	165
(Includes doctors, scientists etc as well as administrators).	

The truth is that our region is not benign. Australia's security is at risk from much more mundane and likely causes as political instability, and the Soviet Union's policy of encouraging debilitating internal conflicts, either directly or through its Libyan and Cuban surrogates.

To cope with such developing situations, it is necessary to have an Australian defence force which can provide governments with a graduated range of military options which can make foreign policy objectives achievable. To paraphrase Thomas Hobbes: "Foreign policies without swords are but words."

The necessary review of Australia's force structure will not be achieved if we persist in assigning priority to re-fight Indonesian confrontation in the north-west, or worse, to re-fight the battle of El Alamein somewhere near Katherine.

It will not be achieved with a Defence Department that is so top heavy that it has an incredible 169 public servants of the equivalent rank of Brigadier or above (including 10 three-star "generals", 25 two-star "generals" and 12 unattached). Nor will it be achieved with a military officer corps which is over-officered to the extent that, in relative terms, Australia has 3½ times as many officers as the US armed forces - which are themselves considered to be over-officered.

The Fiji crisis has been a window on the reality of our region, and it has exposed the impotence of Australia's defence forces. It has provided an opportunity to alert Australians to the fact that they have not been getting a range of options for their \$7.5 billion a year defence budget.

What is alarming is that, with a few exceptions, there has been no public comment to shake the public and politicians out of their complacency. In the national interest it is time the Australian public made itself heard on the demonstrated importance of its defence forces.

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CSO: 4200/815

DAILY URGES IMPROVED DEFENSE CAPABILITY

Sydney THE AUSTRALIAN in English 28 Jul 87 p 8

[Editorial: "Defence Forces Must Not Be Caught Out"]

[Text]

WHEN, last March, the Minister for Defence, Mr Beazley, presented his White Paper setting out Australia's defence goals for the next 10 to 15 years, there were those who worried whether this would not be too long to wait for an effective new defence capability.

That such concern was well-founded has been borne out in the article which appeared in *The Australian* yesterday written by Vice-Admiral David Leach, former Chief of Naval Staff, and Commodore Alan Robertson.

They conclude that there are some disturbing lessons to be learned from the recent military coup in Fiji. There was the absence of any intelligence indicating the insurrection was imminent; and there was the reality that, even if Canberra had decided to intervene militarily, Australia's defence force structure "did not leave the Government with any realistic military options".

There was no heavy landing craft to take soldiers ashore, no platform from which to operate troop-landing helicopters. In short, whatever the political determination in Canberra, the reality on the spot was that Australia was largely impotent.

This is a salutary conclusion. It is one that is in line with our inability to fulfil the expectations of us by our Western allies, and it is one to which our defence strategists should give urgent consideration.

Mr Beazley, in his White Paper, argued that while the Government retained its support for achieving national self-reliance there should be a system of "layered defence" based on improved intelligence capabilities, a naval-air capacity to destroy enemy forces in our approaches and shipping lanes, and a deployment to protect the whole of our territory and population.

The need for an improved defence capability is clearly expressed in the conclusions drawn by Admiral Leach and Commodore Robertson. Far-flung, remote and impoverished though some of them may be, the countries of the south-west Pacific are not necessarily benign.

The islands are of vital and very direct concern to our defence interests. So, too, are other, larger countries in the region. We would be short-sighted to do other than to develop and retain a capacity to deal with whatever exigencies arise in them, for only in this way can effect be given to whatever political decisions are made in Canberra.

Implicit in the Government's acceptance of the Dibb Report was a turning away from any sort of superpower role and, instead, concentration on national and regional defence considerations. The need now is to give real meaning to that and to Mr Beazley's White Paper.

Fiji showed how, virtually overnight, security circumstances can change. Our defence forces must not be caught napping. They must be given the means to ensure the country's security wherever it is threatened, at home or abroad.

Nobody would be better placed than Admiral Leach or Commodore Robertson to judge whether we have those means. We cannot afford to allow the weaknesses they have pinpointed to remain unchecked.

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AUSTRALIA

ROMANIAN PRESIDENT OFFERS MULTIMILLION DOLLAR SHEEP BARTER

Sydney THE AUSTRALIAN in English 30 Jul 87 pp 1, 2

[Article by Peter Terry]

[Text]

PRESIDENT Ceausescu of Romania has offered Australia a multi-million dollar bartering agreement in return for merino sheep.

The surprise offer was made personally by the ageing president when he spent 45 minutes in discussion with a visiting Australian trade delegation at his holiday retreat on the Black Sea.

Mr Ceausescu said Romania was looking to cement a new and long-term trading relationship with Australia and was eager to explore a variety of joint ventures - in particular sheep exports.

The leader of the delegation, the Premier of Western Australia, Mr Burke, told Mr Ceausescu Australia not only wished to accept the offer but would be prepared to provide Romania with the expertise necessary to develop its sheep farms.

Mr Burke said he believed Romania and Australia should give top priority to establishing an inter-government task force to find areas in which more barter trading between the two nations could take place.

Mr Burke said he was prepared to allocate ministers from his own Government to back the team and would hope

to have concrete proposals to lay before Mr Ceausescu during his State visit to Australia in November.

Romania's eagerness to do business has both delighted and surprised the 41-member delegation which is in Romania to gain first-hand experience of international bartering.

Romania is short of hard currency and refuses to do any international business that increases its foreign debts.

Consequently it is only prepared to barter, and yesterday the delegation was shown a variety of products from ships to four-wheel-drive vehicles which it was prepared to exchange of Australian imports.

However, it is recognised that a flood of Romanian products on to the Australia market would anger unions if they increased competition for Australian manufacturers.

The first key bartering deal between the two countries has already been finalised by Perth mining tycoon Mr Lang Hancock.

Hancock Mining is to barter \$1.5 billion worth of iron ore for Romanian products which will be re-exported mainly to third countries.

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HAWKE FAVORS 'RADICAL' REFERENDUM ON FOUR YEAR TERM

Sydney THE AUSTRALIAN in English 28 Jul 87 p 2

[Article by Paul Kelly]

[Text]

THE Prime Minister, Mr Hawke, favours a radical referendum as soon as practicable for a fixed four-year parliamentary term for both the House of Representatives and the Senate.

The move, which follows the Prime Minister's sweeping reorganisation of the federal bureaucracy, is further evidence of Mr Hawke's post-election determination to reshape Australia's political institutions.

The referendum, if carried, would represent a fundamental change in three ways:

THE parliamentary term would be fixed rather than at the Prime Minister's discretion.

ITS length would be four years instead of the present three.

THE House of Representatives and Senate would be linked thereby terminating the separate cycle and six-year term for senators.

This involves a complex series of trade-offs with the result that the proposal probably has more chance of succeeding than initial impressions might suggest.

The issue has not been widely canvassed within the Government. It is the preference of Mr Hawke and some of his own advisers. Cabinet approval would be required. Even if obtained soon, the earliest time for the referendum would probably be in the first months of 1988. The

present inclination is to put the question to the people as soon as practicable and not wait until the next election.

The new system, if accepted, would begin after the next election. That is, the winner of that poll would have the first fixed four-year term.

The only exception to the fixed term would be the double dissolution provision under S.57 thereby allowing an incumbent prime minister to challenge an obstructive Senate by going to an early election.

The present thinking is that after a double dissolution the re-elected government would be entitled to a full four-year term. The alternative to this, which would weaken S.57, is for such a government to serve instead only the remainder of the original four-year term.

The referendum has been favoured by Mr Hawke for some time and he signalled this during the recent election campaign. The Government would hope to win the backing of the Australian Democrats. This would facilitate the passage of the referendum Bill through the Senate and assist the actual referendum campaign notably in the smaller States.

The Opposition parties would almost certainly oppose the proposal. The Liberal Leader, Mr Howard, has backed a four-year term but opposed the notion of a fixed term. The extra sting of including the Senate in the four-year term will bolster

Opposition resistance since this alters the Senate in a way conservatives will distrust.

In particular, it terminates the "rotation" principle under which the term of the Senate is twice as long as the three-year term of the House of Representatives thereby giving it a parliamentary cycle of its own.

Political logic suggests that if the Government proceeds then it should run the referendum as fast as possible. The aim would be to present it in a similar context to the Public Service reforms as part of a more efficient system of government.

There is normally a 12-week gap between the passage of referendum Bills and the putting of the question. This means a referendum later this year is probably too tight a timetable with early 1988 being more likely.

The Government will bank on support for fixed terms and four-year terms to carry the referendum. It will argue certainty and stability, an end to premature polls and the efficiency of having both the House of Representatives and Senate run together.

Mr Hawke will aim to build a coalition of support based on the four Labor-held States, the business communities and the minor parties.

The reform will boost all minor parties and Independents. It would mean an election for the full Senate each poll, that is, a de facto double dissolution. There would be a

low Senate quota with only 7.7 per cent of the vote needed, thereby making it easier for smaller party candidates.

The recent double dissolution shows exactly the benefit for the minor parties. If this had been a normal House of Representatives plus half Senate poll then only two minor party senators would have been elected — Senator Haines (SA) and Senator Harradine (Tas).

Yet because it was a full Senate election it is probable that eight minor party candidates have been elected. The difference is significant, particularly if institutionalised. Minor parties and Independents would greatly benefit from the Hawke referendum.

This point gains more force from preliminary analysis of the fate of minor parties under the expanded Senate where the number of senators from each State was increased from 10 to 12 before the 1984 election.

It seems that at a normal half-Senate election the major parties are strongly placed to split the six Senate vacancies 3-3 thereby denying the minor parties any seat. Repeated across States and at successive half-Senate elections the minor parties could be eliminated from

the Senate. In fact, the Government would have prospects of squaring the Senate — but little chance of ever controlling it.

So Labor is really faced with an interesting choice. Should it strive to work the half-Senate strategy and aim to maximise its Senate numbers while knowing that a majority is probably impossible?

Or should it conclude that because a majority is probably impossible, then a referendum which institutionalises the place of the minor parties in the Senate is not tantamount to any significant concession?

Mr Hawke is following the second course. But this is sure to be a contentious issue as the debate heats up in the Labor Party.

This means, of course, that it is far from obvious whether the effective power of the Senate would be stronger or weaker under the Hawke concept.

The Business Council of Australia (BCA) has strongly backed the four-year parliament and Mr Hawke would hope to cement its support for his referendum. This would split the non-Labor side from business if the Liberals and Nationals opposed him. The BCA believes four years is better for economic decision-making.

Tasmania will almost certainly be lost in any referendum. But the waning influence of the Queensland Premier, Sir Joh Bjelke-Petersen, suggests that Mr Hawke might have more chance in Queensland.

The support of the Australian Democrats would be important in South Australia. Mr Hawke would need to carry four of the six States to be successful.

The fixed four-year concept for both Houses is radical. But it probably has just as good, if not a better chance of passing, than other more conventional questions. These include four-year terms with simultaneous elections or four-year House of Representatives terms combined with eight-year Senate terms.

It is significant to note that the recent prime ministerial practice of calling early elections as double dissolutions (Mr Fraser in 1983 and Mr Hawke in 1987) would have greater sanctions imposed against it.

This is because the prime ministerial discretion as such would be gone. Only a double dissolution could justify an early poll and this means the double dissolution would have to be more based on a genuine deadlock between the Houses than existed in either 1983 or 1987.

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CSO: 4200/815

HAWKE INTERVENES IN QUEENSLAND ALP INFIGHTING

Sydney THE AUSTRALIAN in English 30 Jul 87 p 8

[Article by Matt Robbins]

[Text]

THE threat of infighting in the Queensland ALP will take the Prime Minister, Mr Hawke, to Brisbane tonight for a brief meeting with the branch's four faction leaders.

Mr Hawke's visit is being billed as a diplomatic mission after the branch's excellent showing in the federal election, when it picked up four seats.

It is expected the branch's political strategy in the lead-up to the next State election will also be discussed, including the State ALP's appeal to the Federal Government for legislative action to abolish the so-called gerrymander.

Mr Hawke is expected to seek assurances that the factions will settle or at least put aside their differences in return for the Federal Government "sticking its neck out" and taking on the Premier, Sir Joh Bjelke-Petersen, on the gerrymander issue.

But Mr Hawke is reportedly also making the special visit at the request of the Centre Left to settle factional differences over the party's State secretary, Mr Peter Beattie.

This may extend to securing Mr Beattie a seat in State Parliament at a by-election by offering a senior sitting MP a diplomatic or other attractive posting to create an immediate vacancy.

The ruling Socialist Left-Australian Workers Union alliance wants Mr Beattie replaced by the assistant secretary, Mr Terry Hampson (Socialist Left), and for Mr Wayne Swan (Australian Workers Union) to become his assistant.

The Queensland branch is the subject of partial intervention by the national executive, imposed in April to prevent a factional brawl - mainly over the seat of Bowman - that could have cost seats at the federal election.

The clamp on the branch's powers will continue until early next year to allow the national executive to oversee preselections for State seats for the 1989 Queensland election.

As part of the intervention, official branch positions, including Mr Beattie's, were frozen until the next State conference in June next year.

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CSO: 4200/815

EDITORIAL ANALYZES HAWKE MASTERY OF ALP CAUCUS

Sydney THE AUSTRALIAN in English 23 Jul 87 p 12

[Editorial: "Transformation of the Labor Caucus"]

[Text]

IF there were still any lingering doubt about Mr Hawke's mastery of the ALP, it should have been dispelled by yesterday's rubber-stamping by the Federal Caucus of the ministry chosen by the Prime Minister in conjunction with the party's factional chieftains.

He has succeeded in obtaining a team of ministers that has the balance of State representation and of men and women he was seeking. He has managed to include most, if not all, of those whom he wanted to be ministers. He has been able to exclude many, if not all, of those whose presence in the ministry he was anxious to avoid.

The Prime Minister has constructed a ministry dominated by his right-wing faction. He has shown that his authority within the Labor Party is so irresistible that the somewhat ambiguous Centre Left and the once militant Left took almost no time to acquiesce in the changes he demanded to their lists of nominees.

Until but a few years ago the first Caucus meeting after a general election would have been a turbulent affair.

If past Labor prime ministers had wished to restructure the ministerial arrangements, even if the changes proposed were much less fundamental than those successfully proposed by Mr Hawke, they would have had to expect, at the very least, a fierce debate.

So great has been the transformation of the Labor Party during the past four years that it would have been surprising if Caucus business had not flowed, as it did yesterday, as quietly and smoothly as a well-oiled machine. Vanished was the turmoil of days gone by that was once looked on as an essential ingredient of Labor Party democracy.

Few voices have been raised within the ALP to complain about this development. However, Mr Barry Cohen has suggested that the requirement imposed on faction members to show their completed ballot papers to a fellow faction member has effectively meant the end of the secret ballot Caucus, which used to be looked on as a necessary adjunct of Caucus democracy.

If the ALP has lost anything in terms of democracy, it has gained a

great deal in terms of efficiency. Having disclaimed its previous protestations of socialism and having dedicated itself to the strengthening of private enterprise, the Labor Party has determined to make its own procedures much more businesslike.

These changes have quite obviously attracted the support of a large number of business entrepreneurs and financiers who would not have dreamt of voting for a Chifley or a Whitlam. And, although some members of the business community might still be concerned at the presence of the ALP Left in Caucus and of some of its members in the ministry, it would be absurd to deny Mr Hawke's success in containing the Left and in harnessing it to his own goals and policies.

By including ministers from the Left in his government he has induced them to identify themselves with his private enterprise and pro-United

States principles. They could create much more nuisance if they were outside the Government than in it.

No ministers from the Left are responsible for key areas of the economy or for matters connected with our foreign affairs or defence. In most other respects the allocation of portfolios is what was expected.

It is perhaps surprising that some junior ministers will be answerable to more than one senior minister. This seems particularly strange in the Department of Foreign Affairs and Trade, which now has only one senior minister compared with the two who previously handled these important matters, and its one junior minister will also assist two other senior ministers.

Otherwise the new ministry appears to be well-equipped to support Mr Hawke during his third term in office.

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TOWN COUNCIL ALLEGES PINE GAP SPYING, PEACE GROUP REACTS

Sydney TRIBUNE in English 10 Jun 87 p 3

[Article: "Pine Gap--Council Told of Spying in Pacific"]

[Text]

The top secret spy base at Pine Gap is being used to spy on South Pacific nations, according to a recently released background paper prepared for the Alice Springs town council's community services committee.

Council officers, in preparing the background paper, claim to have been briefed by both the Department of Defence and Northern Territory emergency services.

A member of the Alice Springs peace group, and national spokesperson for the Australian Anti-Bases Campaign Coalition, Mr Brian Doolan, commented that "the claim that Pine Gap is being used to spy on South Pacific nations is a marked departure from the official federal government position on the base.

"Until now, the federal government has justified its support of the bases by claiming that facilities like Pine Gap contribute to 'a stable global nuclear balance' and that these facilities are essential for verification of arms agreements."

The Labor Party's platform requires the federal government to ensure that the bases are "operated in accordance with Australia's concern to avoid action detrimental to the interests of friendly countries".

Spying on Greece

In 1985, a claim that Pine Gap was being used to spy on the recently elected socialist (PASOK) government of Prime Minister Papandreu caused widespread concern and protests from the Greek community in Australia.

The latest claim comes close on the heels of official protests from the government of Vanuatu on what it saw as hostile Australian intelligence activities.

"What needs to be clarified," said Mr Doolan, "is whether or not Australia, in partnership with America, is spying on its Pacific neighbors.

"Has an officer in the Department of Defence briefed an officer in the council with confidential

information on the role of Pine Gap in the Pacific, only to have the information released to the public via the council's background paper?" asked Mr Doolan.

"One wonders how Pacific nations like Vanuatu, Fiji, Papua New Guinea and New Zealand are going to react to the news that their ally is intercepting their diplomatic commercial and domestic communications."

Mr Doolan said "this latest information also raises interesting questions as to how much the Hawke government knew about what was happening in Fiji prior to the coup".

Layered defence

The council paper specifically states that "the Australian government's defence policy has focussed on layered defence. The first layer comprises comprehensive intelligence about military developments in the South Pacific region and a variety of surveillance mechanisms to detect and track

hostile intruders. This section encompasses the intelligence gathering capabilities of the joint defence base at Pine Gap."

Council stand

The council will consider adopting policy to:

- support the retention of ... Pine Gap and acknowledges the importance of this facility for the defence of Australian territory and as an integral part of maintaining stability in the South Pacific region and in maintaining Australia's position in global politics;
- encourage the preparation of a special disaster plan for the Alice Springs region.

Doolan said "we call on the Hawke government to make a clear and unequivocal statement as to whether or not Pine Gap is being used to spy in the Pacific. The peace movement in Australia is already disillusioned with the performance of the ALP on the foreign bases issue. We represent a sizeable proportion of voters and we expect answers."

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CONFEDERATION OF INDUSTRY FACING 'MAJOR INTERNAL PROBLEMS'

Sydney THE BULLETIN in English 4 Aug 87 p 19

[Article by David O'Reilly: "Employers Face Showdown Over Union Power"]

[Text]

A CALL for the establishment of an ACTU-style umbrella council of employer groups has floundered. Two parallel developments are at work in the complex world of business community politics. The long-established Confederation of Australian Industry (CAI), the nation's principal employer peak council, faces major internal problems and is apparently in danger of collapse in its present form. Pressure continues to grow on the other hand from a loose alliance of New Right-inspired "political" businessmen intent on using an anti-union crusade to tear down what they see as the cosy relationship existing between government and the CAI and the other big business group, the Business Council of Australia (BCA).

The CAI represents 38 national and state manufacturing industry associations and 100,000 separate firms. The BCA represents 80 "captains of industry", chief executives of the nation's top companies both discount the push from the New Right as irrelevant. Yet the New Right's platform — which includes crushing the unions outright, abolishing protec-

tion for uncompetitive industries and withdrawal to arm's length contact with government — has played a dominant role in framing the recent political agenda in Canberra. It has also brought a new instability to a business community already confronted by a cohesive union movement.

Queensland businessman John Hay recently called on the CAI and BCA, the National Farmers Federation (NFF), the Metal Trades Industry Association and the Australian Chamber of Commerce to convene a conference to discuss the planning and formation of an "ACTU for private enterprise". Hay told *The Bulletin* that a Simon Crean-style figure was needed to front a united body that spoke for business "as one voice". Crean is president of the Australian Council of Trade Unions.

John Hay was one of the founders in 1985 of the Australian Federation of Employers (AFE) which gathered together initially eight and eventually 23 employer groups drawn from doctors, small business, real estate, housing and automobile industries. But control of the AFE largely fell to the high-profile New Right Melbourne activist and former Fraser government apparatchik Andrew Hay who used it as a platform for frequent forays into Liberal Party and federal political debate before recently taking up the powerful position of national president of the Australian Chamber of Commerce.

Andrew Hay aims to have a fighting fund and a professional secretariat working toward radical reform of the labor market. Within a year, the chamber hopes to bring Dollar Sweets-style test cases before the industrial courts — possibly an argument that small businesses should be exempt from industrial awards.

It is concern about the CAI's approach to the trade union issue that draws together the Chamber of Commerce, the NFF and that other New Right-aligned employer group the Australian Small Business Association run by Melbourne businessman Peter Boyle. But even organisations with which it works in harmony are concerned at the problems which have come to beset the CAI. The National Farmers Federation (NFF) withdrew from it in 1983.

The BCA has taken an increasingly hard line on unions but businessmen on the Right believe that it, too, has developed too close a relationship with government.

The powerful Metal Trades Industry Association became disenchanted in recent years that, as the government's relations with business broadened, the power of the CAI — of which it was a key member — was being eroded. The MTIA resigned from the CAI in late May, complaining about "long-standing dissatisfaction with the present role and structure".

Three new groups, including the Housing Industry Association, joined CAI this year but the withdrawal of the MTIA was a body blow.

Then, last week, it was reported that the confederation's industrial relations

arm was considering cutting its links to form a new organisation because of an argument over autonomy of operations and funding.

The threat from the Melbourne office came in apparent response to a proposed overall restructuring which would give power in the "formulation of CAI policy in all matters" to the board of directors and its chief executive, Daryl George.

The matter will come to a head at a full confederation meeting on August 18. At issue is the structure and very future of the organisation as an employer body.

Issue to issue, there can be great commonality of purpose between employer groups.

Under the auspices of the CAI, they banded together to reject and then turn around the federal government's plan to introduce the controversial Hancock legislation before the election.

There is a lot of overlap between the membership of the different employer "peak" bodies and yet their organisations are independent, representing different interests and not in any kind of direct competition. But a wrestling for dominance as the influential voice is definitely under way. One businessman said: "The days of making glossy submissions, then having a couple of gin and tonics in the minister's ante-room, are gone. Now, it's a question of doing the detailed policy work ... and the political numbers."

August 18 is an important day for the business community.

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'LEFT-WING' UNION LEADERS ENDORSE ACTU CHANGES

Melbourne THE AGE in English 18 Jul 87 p 23

[Article by Brendan Donohoe]

[Text]

Senior left-wing union leaders met yesterday to consider big structural and personnel changes to be considered at the ACTU's biennial congress in Melbourne in September.

The meeting is believed to have given broad endorsement to a plan by the ACTU secretary, Mr Bill Kelty, to rationalise the number of unions into a few dozen big unions, along industry lines.

How and when amalgamations take place will largely be left to individual unions. Unions in the ACTU already work under industry groups which elect a representative to the ACTU executive.

The congress will also consider expanding the executive to include three automatic positions for women, a third assistant secretary and six vice-presidents. At present, the 31-member executive has only one woman member, Ms Jennie George, of the Australian Teachers Federation, and two assistant secretaries and two vice-presidents.

Mr Laurie Carmichael, a research officer with the Amalgamated Metal Workers Union, has won a preselection ballot within the industrial left-wing to be its candidate for the new assistant secretary position.

Ms Judith Bornstein, the Victorian secretary of the Association of Draughting, Supervisory and Technical Employees, and Ms Patricia Caswell, an industrial officer with the Victorian Trades Hall Council, are believed to be under consideration as the left's candidate for one of the women's seats on the executive.

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MAJOR ACTU PROPOSALS REPORTED, ANALYZED

Sydney THE AUSTRALIAN in English 29 Jul 87 pp 1, 7

[Article by Mike Taylor]

[Text]

THE ACTU yesterday unveiled an agenda for the next 10 years, involving a preparedness to trade wage rises against increased industry investment, to form fewer but bigger unions and to co-operate in industry restructuring.

Underscoring the ACTU's far-reaching proposals is the clear message that trade unions want a greater say in the decision-making mechanisms and investment strategies of Australia through consensus-style tripartite arrangements.

Further, the ACTU advocates the development of a national objective by all parties - employers, unions and government.

"Such a national objective for Australia should aim to achieve full employment, low inflation, and rising living standards which are equitably distributed," it says.

"This is dependent on maintaining the maximum level of economic growth and development. Australia must have an innovative, positive and consensual approach to the management of change and the removal of all impediments to achieving these objectives."

These aims are encompassed in a document released

today entitled Australia Reconstructed - the report of a joint ACTU-Trade Development Council mission to Western Europe.

The document also resurrects recent union calls for a proportion of superannuation funds to be directed to a national development fund that would provide soft loans to strategic industries.

The document reflects the thinking of the trade union movement six months ago when a mission of 12 union and trade officials returned from a tour of five European countries to study macroeconomic, wages, trade and industry policy.

Although some of the proposals have already been discarded or amended by the Government and the ACTU, it remains a remarkable insight into the trade union movement's long-term strategy in which the ACTU has outlined a broad agenda in the key areas of wages policy, macroeconomics, investment, industry restructuring, trade union structures and employment and training.

The report attempts to extract the best elements of the economic and industrial systems applying in Sweden, Austria, Norway, West Ger-

many and Britain and apply them to Australia.

In a foreword to the mission's report, the ACTU secretary, Mr Bill Keily, says: "This report embodies the strategic issues all Australians must now face."

The ACTU's important biennial congress in September will be asked to accept the thrust of many of the mission's findings as formal ACTU policy.

Indeed the ACTU executive, meeting in Melbourne yesterday, gave an in-principle endorsement to the thrust of the document.

The key business groups, led by the Business Council of Australia (BCA), have already condemned much of the ACTU's agenda on the basis that it runs directly counter to labour market deregulation and enterprise-based industrial strategies.

The executive director of the BCA, Mr Geoff Allen, said the ACTU's approach to issues such as restructuring, training and the role of unions would have some positive elements from the BCA's perspective, but, on the basis of discussion and the ACTU's preliminary report, the BCA was likely to have serious objections.

The ACTU's Main Recommendations

ACHIEVEMENT of a central national economic and social objective involving full employment, low inflation and rising living standards.

GOVERNMENT should conduct a national inquiry into investment patterns in Australia, particularly speculative investment versus productive investment.

GOVERNMENT should establish a National Development Fund financed by a proportion of superannuation fund investment.

MAINTENANCE of a centralised wage fixing system, with specific limits placed on wage rises outside the mainstream.

COMMON State and Commonwealth policy on price restraint.

INDUSTRY plans should be formulated and tripartite commitment extracted to their achievement.

INCREASED funding to the Australian Manufacturing Council and the Trade Development Council and an enhanced role for Austrade, enabling it to pro-

vide a comprehensive set of export services.

MORE effective State and Commonwealth government purchasing arrangements.

CO-ORDINATION between departments to provide more effective foreign investment guidelines.

INTEGRATION of employment and training programs with tripartite industry plans.

DEVELOPMENT of labour market programs on a tripartite basis aimed at increasing skills development, career development and job replacement.

NATIONAL agreement on industrial democracy between the ACTU, peak employer organisations and the Government, backed by federal legislation.

REMOVAL of the legislative impediments to trade union amalgamations, with the implementation of a timetable that gives small unions, in ascending membership sizes, time to amalgamate with other unions.

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ACTU 'EDITED TEXT' OF RECOMMENDATIONS FOR FUTURE

Sydney THE AUSTRALIAN in English 29 Jul 87 p 8

[*"Edited text" of the recommendations of a report by the ACTU entitled Australia Reconstructed, prepared after an ACTU delegation visited Europe last year]*

[Text]

THOSE who took part in the mission to Europe were: the ACTU secretary, Mr Bill Kelly; the national research officer of the Amalgamated Metal Workers Union, Mr Laurie Carmichael; the federal president of the Australian Telecommunications Employees Association, Mr Colin Cooper; the national secretary of the Shop Distributive and Allied Employees Association,

Mr Joe De Bruyn; the general secretary of the Federated Miscellaneous Workers Union, Mr Martin Ferguson; the national secretary of the Electrical Trades Union, Mr Terry Johnson; the secretary of the Labor Council of NSW and senior vice-president of the ACTU, Mr John MacBean; the national secretary of the Building Workers Industrial Union, Mr Tom McDonald;

the national secretary of the TAFE Teachers Association, Ms Cassandra Parkinson; the general secretary of the Federated Storemen and Packers Union, Mr Greg Sword; the executive director of the Trade Development Council Secretariat (TDCS), Mr Ted Wilshire; and mission manager and the director of the Consultation and Research Section of the TDCS, Mr Terry Comihan.

Recommendation 1.1:
Australia should develop a central national economic and social objective.

This must be negotiated, set and given substantial support by all major parties, e.g. government, unions, business and community groups. The objective should be highly visible and actively embraced. It should be promoted by all parties.

Recommendation 1.2: Such a national objective for Australia should aim to achieve full employment, low inflation and rising living standards which are equitably distributed. This is dependent on maintaining the maximum possible level of economic growth and development. Australia must have an innovative, positive and consensual approach to the management of change

and to the removal of all impediments to achieving these objectives.

Recommendation 1.3: To increase growth, it is recognised that investment must increase. Provision of the correct macro-economic setting is a necessary but insufficient condition for the generation of productive investment. Other means must also be developed.

Recommendation 1.4: The Government should conduct a national inquiry to:

a. Examine the pattern of investment in Australia in terms of the incidence of speculative versus productive investment, and the mechanisms (e.g. tax legislation, regulations, lack of regulation etc.) which make speculative investment more rewarding than productive investment.

b. Examine corporate takeover activity in Australia in terms of:

1. Its impact on productive investment

2. Its impact on corporate planning (e.g. the accent on short-term returns versus longer-term planning and investment)

3. The financing of corporate takeover activity in Australia and its impact on Australia's overseas debt (with particular emphasis on whether private overseas borrowing has been invested in a manner which ensures that it generates export income which is adequate to service and repay those overseas loans).

c. Examine the operation of foreign exchange dealing and the impact of deregulation on the effectiveness of macroeconomic policy, the exporting activities of private enterprises, and currency stability.

d. Examine the operation of the securities industry and its

regulation (with particular emphasis on the problem of insider trading).

e. Assess the overall impact of the removal of financial regulations and exchange controls.

The membership of the committee of inquiry should be tripartite, its membership being selected after full consultation between the Government, the CAI, the BCA and the ACTU.

The committee should issue a preliminary report within six months which specifies recommendations for legislative and/or other initiatives which can be taken by government to remedy the problems documented by the inquiry.

In the conduct of the inquiry there should be adequate involvement by, and full co-operation from the National Companies and Securities Commission, the Trade Practices Commission, appropriate areas of the Federal and State Public Service and other relevant bodies.

Recommendation 1.5: Increased investment must therefore be "led" and industry policy is a principal vehicle for "leading" investment. Governments should not only deliver the correct macro-economic environment, but also complement this with an aggressive and comprehensive (sectoral-specific) trade and industry development strategy, a network of "active" labour market and training programs and a set of comprehensive supporting policies.

Recommendation 1.6: The Government should establish a National Development Fund

Objectives of the fund:

Consistent with the national objective, the fund should operate under the following guidelines and principles:

a. The fund should be created to provide equity capital and "soft loans" for investment:

1. In new capacity in industry

2. To provide loans for housing (preferably for first home buyers, low income earners and new homes)

b. The activities of the National Development Fund will be in addition to assistance provided in industry-specific plans.

c. Priority should be given to those who wish to invest for import replacement, export expansion, industry modernisation and restructuring activities.

d. Loans and equity should be "publicly accountable" on a similar basis as operates in the Steel, Heavy Engineering and Textiles, Clothing and Footwear Plans. In order to obtain the equity or loans, business and unions must reach agreement on the following matters:

1. Superannuation (including the removal of discriminatory provisions).

2. Dispute settlement procedures

3. Work and management practices and work organisation.

4. Job security and redundancy.

5. A training, education and skill formation and enhancement package (including the provision of paid study leave).

6. A research and development package.

7. Purchasing policy (i.e. that they will submit prospective purchases to the State and National Industrial Supplies Offices to ensure the maximum local content in their purchases).

8. Reduction in labour market segmentation especially for women (including programs to achieve the aims of equal opportunity).

e. The fund should operate in a counter-cyclical fashion (i.e. active during periods of low investment and taper off its activities when private and public sector investment pick up)

Operation of the fund:

a. The Fund should be administered through the Australian Industry Development Corporation (AIDC).

b. The board of the AIDC should be expanded to make it genuinely tripartite and to include representatives for superannuation funds

c. The operation of the fund should be in addition to the existing packages, programs and activities of the AIDC.

Funding the National Development Fund:

a. All superannuation funds be required to make available up to 20 per cent of their fu-

ture income to be drawn on by the National Development Fund.

b. If insufficient funds are available through the superannuation mechanism, there should be a 1 per cent tax on all imports, supplemented by a surcharge on luxury imports.

c. The gearing ratio of the AIDC should be further liberalised. Additional lending capacity from this arrangement should be available exclusively to the fund.

d. The community should be invited to invest in the fund. Earnings on such investment should be taxed at concessional rates.

Recommendation 1.7: Those superannuation funds which already have more than 15 per cent of their investments overseas should be required to reduce such investments according to the following timetable: 1987 maximum of 20 per cent; 1988 19 per cent; 1989 18 per cent; 1990 17 per cent; 1991 16 per cent; 1992 15 per cent.

Recommendation 2.1: Australia should maintain a centralised wage fixing system.

Recommendation 2.2: Increases in wages other than national adjustments should be within a specified limit which is itself centrally determined.

Recommendation 2.3: The Government, ACTU, BCA and CAI should liaise to build a common data base to facilitate wage negotiations, particularly with respect to non-national adjustments. The make-up of such a data base would need to be both comprehensive and acceptable to all parties. This would involve:

a. Extensive tripartite discussion with respect to the composition and timing of Australian Bureau of Statistics surveys.

b. The establishment of agreed procedures on collection and compilation by one or other of the parties of individual sets of statistics relevant to industry and enterprise level wage negotiations.

Recommendation 2.4: Adjustment should clearly take into account the income distribution effects of taxation and social wage policies.

Recommendation 2.5: The ACTU's superannuation campaign should continue in its present form. Superannuation contributions should preferably be paid into multi-employer or industry-wide superannuation funds, as such funds:

- a. Encourage uniformity within and across industries.
- b. Enhance portability and preservation of benefits to retirement age.
- c. Allow more efficient management on a bulk basis of administration, investment and insurance.

Recommendation 2.6: A centralised system should also give priority to extending the principle of "equal pay for work of equal value", particularly the way in which it extends to women.

Recommendation 2.7: In a centralised system, wage increases other than national adjustments should be in accordance with a set of acceptable principles. In particular, such principles should:

- a. Encourage a productive and efficient society, by providing incentive for training and skill enhancement; inefficient industries should not be subsidised through relatively lower wages (this should include the wages and working conditions of outworkers, without denying their right to work as outworkers).
- b. Pay due regard to price and productivity movements in the internationally traded goods and services sector. In short, any community standard should, as far as possible, be set in this sector.

Recommendation 2.8: The Government must institute a comprehensive, visible and effective policy of price restraint.

Recommendation 2.9: The Commonwealth Government must liaise with the State Governments with a view towards implementing a common policy of price restraint (to match the restraint being exercised by wage and salary earners):

- a. This should involve in the first instance a six months conditional price freeze. During this period prices should only increase by no more than a specified amount.

b. Practical methods must be taken by the Commonwealth and the States to impose restraints on government charges consistent with the restraint exercised by wage and salary earners.

c. There should be greater co-ordination of the activities of Commonwealth and State pricing and price regulatory bodies. This co-ordination should apply to both the regulation and publicity-promotion activities of all such authorities.

Recommendation 2.10: As supporting measures to the price freeze, the Government should immediately:

a. Initiate a full-scale inquiry into the methodology behind the setting of margins in various industries and the way in which those margins are adjusted.

b. Provide field officers in each State, initially to monitor prices in major sectors and areas which have been the subject of most complaints, but ultimately to carry out a much wider range of functions.

c. Initiate a full-scale inquiry into executive remuneration and its method of adjustment.

Recommendation 2.11: Greater pressure should be brought to bear on pricing fee setting in the professions. This should include:

a. Examining the possibility of bringing the professions under the umbrella of both the PSA and the Trade Practices Commission.

b. The Advisory Committee on Prices and Incomes (ACPI) conducting a review of restrictive work practices with a view to their ultimate abolition within the professions, the results of such a review should be published.

Recommendation 3.1: The approach to industry development should be undertaken in four stages.

Stage one: Formulation of industry plans:

Following extensive examinations of an industry sector, including its strengths and weaknesses and workforce composition, there should be a process of consultation and negotiation to establish tripartite commitment to an industry plan.

a. Such tripartite agreements should involve government commitment to provide the appropriate combination of incentives which maximise the growth potential of an industry sector and its capacity to provide a net benefit to the community. It is recognised that there are different problems and prospects for each industry sub-sector and the assistance package must be tailored to suit those requirements.

b. There should be commitments by employers commensurate with the level of assistance being provided and the circumstances of the industry.

Stage two: Implementation of plans at the company and plant level: While the first stage concerns formulation of industry development plans, the second stage (and the one that has now become central to industry development) concerns implementation at the company and plant level of agreements that should cover a range of issues including:

a. Investment for import replacement, export expansion and industry modernisation.

b. New product, process and new enterprise development.

c. Management and work practices to improve the efficiency of the enterprise.

d. Training for the fullest possible development of the labour force's capacity to make a contribution to production

e. Dispute settling procedures.

f. Occupational health and safety.

g. Industrial democracy structures and work organisation.

h. Programs to achieve the aims of equal opportunity.

i. Provision of paid study leave.

Stage three: Monitoring: There should be continuous tripartite monitoring of every aspect of Stages one and two of the entire duration of such plans.

Stage four: Comprehensive review and evaluation:

While Stages one, two and three involve formulation, implementation, and on-going monitoring of industry development programs at the industry and enterprise level, Stage four involves a comprehensive review and evaluation.

hensive review and evaluation of the strengths and weaknesses of sectoral development plans after a three to five-year period.

Recommendation 3.2: In order to enhance the net benefit to the community from industry assistance, the Government must ensure that this assistance is committed and maintained over a specified period.

Recommendation 3.3: The Government should provide assistance through the National Development Fund to smaller Australian-owned enterprises to cover up to 50 per cent of their pre-production activities beyond the R and D stage when there are demonstrable opportunities for export exploitation.

Recommendation 3.4: The Government should increase the resources available to the Australian Manufacturing Council (AMC) and the Trade Development Council (TDC) by enlarging the funding and staffing of their respective secretariats. There should be increasing co-ordination of the activities of the AMC and TDC.

Recommendation 3.5: The role of Austrade must be enhanced to enable the provision of a comprehensive set of export services. As far as possible the provision of such services should be made by way of utilising the "fee for service" principle. Possible services could include an "export manager for hire" scheme and sales generating services such as company to company liaison. However, when public moneys are allocated, then assistance must be conditional on similar public accountability criteria detailed in Recommendation 1.6 and Stage 2 of Recommendation 3.1.

Recommendation 3.6: The conditions under which firms may receive assistance under the Export Market Development Grants (EMDO) scheme should be modified so that designated industries can receive more effective treatment.

Recommendation 3.7: Austrade should examine the costs and benefits to the community of providing:

a. A means to assist exporters overcome problems arising from the high costs of ob-

taining product liability insurance and patent litigation.

b. Forward exchange cover to protect firms against the potentially adverse impact of significant exchange rate fluctuations on long-term contracts priced in foreign currencies.

c. A facility to exporters to cover them against differences between Australian and overseas interest and inflation rates, as a short-term or interim measure (i.e. until domestic interest rates have dropped sufficiently).

Recommendation 3.8: Austrade should strategically plan innovative ways to provide lines of credit for sales of nominated key industry products to nominated countries. This should form part of Austrade's review of programs and priorities where greater emphasis is placed on integrating Australia's export development strategies. This is particularly important in the area of targeting overseas projects.

Recommendation 3.9: Companies should not be allowed to develop and apply overseas the results of R and D work funded by the Government (either directly or under the 150 per cent tax concession scheme) until Australian-based enterprises have been given a reasonable opportunity to commercialise the results. There should be a requirement that production takes place in Australia, with the fullest possible exploitation of export opportunities.

Recommendation 3.10: Government funding of R and D activities should be conditional upon the recipient firm submitting its purchasing requirements to the national and relevant State Industrial Supplies Offices (ISOs).

Recommendation 3.11: Through programs co-ordinated through Biotech and the national industry extension services there should be increased interaction between Government R and D establishments and Australian industry with the objective of commercially developing and applying the results of work carried out in such establishments by Australian-based enterprises with the fullest exploitation of export opportunities.

Recommendation 3.12: To facilitate import replacement, the Government should develop more effective purchasing arrangements, particularly in the high technology, high value-added areas. To this end, the Government should:

a. Establish a national Industrial Supplies Office.

b. In conjunction with State Governments develop an import replacement program around the purchasing programs of Government instrumentalities.

c. Provide additional resources to the Australian Customs Service so that import procedures can be strictly applied.

Recommendation 3.13: The Federal Government should ensure that its economic, industrial and labour market development strategies are given a strong local and regional focus to ensure:

a. A more even geographical spread of industry and employment.

b. That the differing needs of regions experiencing either relatively rapid or relatively slow growth are adequately addressed.

c. That effective and efficient local and regional policy development and implementation structures are established.

Recommendation 3.14: The Trade Development Council should formulate a program (involving Austrade, the Department of Industry, Technology and Commerce, the Department of Foreign Affairs, and the Australian Information Service) which encourages productive foreign investment in Australia. The formulation of such a program may involve amendments to the current Foreign Investment Review Board guidelines. The program should be viewed as long-term (five years).

Recommendation 3.15: The Government should establish independent reviews of: the effects of franchise restrictions on Australia's exports; the methods and effects of transfer pricing on Australia's export income; and appropriate pricing policies for Australian suppliers of goods and services to industries using such goods and services as inputs to export production.

Recommendation 3.16: To achieve the objectives of a national system of standards, accreditation, quality control and assurance, the Federal Government should establish a national authority to assess, co-ordinate and accredit standards writing, certification and testing organisations. (This body could be similar in some aspects to the National Accreditation Council for Certification Bodies in the UK.)

Recommendation 3.17: The Government should review the method of appointment, the range of duties and the geographical location of labour attaches. They should be located in the Department of Trade.

Recommendation 3.18: Australian union representatives, when travelling to European Community (EC) countries should make every effort to discuss with their union counterparts in these countries the disadvantages of the Common Agricultural Policy for their own members. Every effort should be made to fully inform union officials in the EC that protection and subsidies for their agricultural products increases food prices for their members and also reduces the funds available for the provision of social services by their governments to their members.

Recommendation 4.1: Employment and training plans-programs should be fully integrated with the tripartite industry plans, and the National Development Fund.

Recommendation 4.2: A National Employment and Training Fund (NETF) should be established. It should operate under the following guidelines and principles:

a. The fund provides for skill formation and enhancement, training and general education of the workforce and will ensure that enterprises and governments are undertaking sufficient training and skill development for the future.

b. Enterprises, both public and private, are able to draw back from the fund 80 per cent of the amount they have contributed to it, provided they have reached an agreement with their employees and unions on a training and employment package.

As with the National Development Fund, drawing rights should be publicly accountable on a similar basis as in the steel, heavy engineering and textiles, clothing and footwear packages.

c. The fund should operate in parallel with the National Development Fund. Formal links should be established to ensure that there is adequate co-ordination between each fund.

Recommendation 4.3: The Government, as a matter of priority, should examine in a tripartite framework ways of ensuring that the education system provides adequate, even ambitious preparation for the world of work so as to exploit present and future opportunities in the labour market. A general technology subject should be compulsory in school curricula. In particular, the education system should encourage all pupils, particularly girls, to participate in maths, science, economics and technical subjects.

Recommendation 4.4: The Government should develop a specific and integrated five-year program for young people. Such a program should, within a five-year period, guarantee that all 16 to 24-year-olds have access to full-time education, specific vocational training or productive employment. At the end of the five-year program the number of persons requiring cash unemployment benefits should be at an absolute minimum.

This program should embrace the following principles:

a. No reduction in award wages for young people.

b. The development of a sufficiently large education and training infrastructure to ensure adequate opportunities for all 16 to 24-year-olds. Such an infrastructure should aim simultaneously to increase participation in both education and training programs for these age groups and improve equality of access to education and training programs.

c. Payment of unemployment benefits as a last resort.

d. The development of special counselling facilities within the CES for long-term unemployed youth to facilitate "job search" for those forced to apply for unemployment benefits.

Recommendation 4.5: Labour market programs should be developed on a tripartite basis to place increasing emphasis on skill acquisition, career development and job replacement rather than mere minimal cash support. It is absolutely essential that management, unions and employees, at the enterprise level particularly, co-operate to identify and anticipate the future skill needs of industry.

Recommendation 4.6: As part of its overall approach to labour market planning, the Government should, through the Australian Council for Employment and Training, as a matter of priority:

a. Move to strengthen the labour market information systems by establishing a clear indication of occupations and skills which are now in demand and likely to remain so in the immediate future.

b. Develop tripartite procedures at the point of delivery which ensure that labour market information is transmitted quickly and effectively between key decision makers.

Recommendation 4.7: To meet these tasks, the ACET should be a statutory authority. Its secretariat should be significantly better resourced and accorded the status its wide responsibilities demand. The secretariat should draw its staff from a much wider cross-section of the community; be given responsibility for the delivery of labour market programs and services; and be located in the industrial centres of Sydney or Melbourne with branch offices in major capital cities.

Recommendation 4.8: As part of this more realistic and determined approach to labour market planning, the CES in particular will need to upgrade and streamline its operations:

a. The CES needs to greatly improve its own information gathering, analysis and counselling facilities.

b. Notification to the CES of all vacancies and impending retrenchments should be made compulsory.

c. Greater effort needs to be put into the training of all CES staff.

Recommendation 4.9: Workers with family responsibilities need every opportunity to participate fully and productively in the workforce. As a means of increasing women's employment participation, reducing labour market segmentation and improving productivity, unions, business and governments should co-operate to:

a. Develop and extend parental leave provisions in all awards and workplaces and assistance to low income workers on compulsory maternity leave.

b. Ratify ILO Convention 156 (workers with family responsibilities).

c. Improve childcare facilities, including provision of a specified number of new places in an agreed time-frame and the introduction of greater incentives for employers to provide work-based childcare.

Recommendation 5.3: There should be a national agreement on industrial democracy between the ACTU, peak employer organisations and the Government.

Recommendation 5.4: The Government should reinforce the importance of industrial democracy with the enactment of a basic core of appropriate legislation including a Labour Market Mobility and Security Act; an Act for the recognition of the rights of trade union representatives at the workplace; a National Working Environment Act; an Act to provide for paid education leave; amendments to the Companies Code to oblige companies to provide relevant information as to the affairs of the company.

Recommendation 5.9: Federal and State Governments should institute a scheme through which parliamentarians seek temporary placement during parliamentary recess, in various positions (jobs) in the community. The scheme should operate in a manner similar to those operating in Sweden and Norway. The scheme should also be implemented for senior federal and State public servants. Participation by public servants should count in any assessment for promotion.

Recommendation 6.1: Unions should continue to develop the co-ordinated national approach to policy formulation and implementation under the umbrella of the ACTU.

Recommendation 6.3: The Government should remove all the legislative impediments to the amalgamation of unions. In particular, amalgamation should require only a simple majority decision of those who vote in each of the unions involved. The right to object should be removed where the intent of the proposed amalgamation is not to alter the on-the-ground situation. The process of amalgamation, however, should be active and go beyond simply removing legislative impediments. A timetable should be set which gives small unions, in ascending membership sizes, time to amalgamate with other unions.

Recommendation 6.6: The trade union movement should plan to have some 20 union organisations within two years. The ACTU executive should formulate proposals of union

groupings for this purpose. ACTU officers need to initiate close working arrangements and strategies for action for unions in their groupings, leading to amalgamation as rapidly as possible.

The ACTU and governments should initiate action to ensure that no further organisations can secure registration, other than those which are products of amalgamations.

The ACTU should also initiate rationalisation of industry coverage between unions where a clear advantage exists for this to be done. The membership, of course, should be fully consulted and must agree before such exchanges take place; and in line with ACTU policy, resources should be provided to assist unions in the amalgamation process.

Recommendation 6.5: Unions and the ACTU should broaden their functions and increase the range and quality of services they supply to their members. This is particularly so in the areas of union education, research and organisational resources.

Recommendation 6.9: There should be formal trade union inputs to CAE, TAFE and university courses.

Recommendation 6.12: Trade unions should extend greatly the range of other services they provide to their members. Unions could employ specialists to provide advice to their members in a number of areas such as legal, tax accountancy and financial management. Unions should also explore the possibilities of entering commercial ventures to provide services to members in the areas of finance, insurance etc.

/9317
CSO: 4200/815

DAILY CRITICIZES UNION COUNCIL'S RECOMMENDATIONS

Sydney THE AUSTRALIAN in English 29 Jul 87 p 10

[Editorial: "Charter for Big Unions and Big Government"]

[Text]

THE document entitled "Australia Reconstructed", issued yesterday by the Australian Council of Trade Unions, will cruelly disappoint all of those who expected that it would offer a blueprint for bringing greater flexibility into our industrial relations.

Under Mr Hawke's leadership the Australian Labor Party has abandoned its previous socialist and interventionist policies and has moved rapidly towards the deregulation and privatisation of the economy. The new manifesto of the ACTU shows that the leadership of the trade union movement has learnt nothing.

The ACTU proposes more, not less, regulation of the labour market and employer-employee relations. It offers no hope of the settlement of industrial disputes and wage claims on an enterprise-by-enterprise basis or of significant negotiations between individual employers and their employees.

"Australia Reconstructed" takes a position which is precisely the opposite. It asserts that "Australia should maintain a centralised wage-fixing system", and "increases in wages other than national adjustments should be within a specified limit which is itself centrally determined".

Those pessimists who have predicted that this country is becoming transformed into a corporate State will believe their fears to be confirmed by the ACTU's demand that "Australia should develop a central national economic and social objective", and its advocacy of a "National Development Fund" funded primarily by superannuation funds and with power to influence future economic development by the application of its investment policy.

The means put forward for the financing of the "National Development Fund" are no less than authoritarian. The union leaders propose that "all superannuation funds be required to make available up to 20 per cent of their future income to be drawn on by the ... Fund", and "if insufficient funds are available through the superannuation mechanism, there should be a 1 per cent tax on all imports, supplemented by a surcharge on luxury imports".

Within the context of the other recommendations the ACTU's policy on union amalgamations acquires a sinister quality. Australia has too many unions, and it is reasonable to argue that unions which wish to

amalgamate should not have contrived obstacles put in their way. But this does not mean, as the ACTU insists, that union mergers should be compulsory under law.

"The Australian trade union movement should plan to have some 20 union organisations within two years," it proclaims, and, in a text-book example of the corporatist mentality, "the ACTU and governments should initiate action to ensure that no further organisations can secure registration, other than those which are products of amalgamations." It is easy to imagine how 20 mega-unions would be able to dominate industrial relations.

The ACTU's document seeks to reconstruct Australia so that the economy is firmly in the hands of big government and big unions with a lesser role being played by the big centralised employer organisations. It goes against all of those aspects of Mr Hawke's administration which have won him the support of a large part of the business community and the middle ground.

It is a manifesto for corporatism which should be rejected by a plural and open society. Also, it is difficult to resist the conclusion that after supporting the Government through two terms, the unions are now rendering the bill.

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CSO: 4200/815

CPA NATIONAL EXECUTIVE MEMBER ON CONGRESS RESOLUTIONS

Sydney TRIBUNE in English 17 Jun 87 p 7

[Article by Brian Aarons, Communist Party of Australia National Executive member: "CPA Congress: Work for Effective Socialism"]

[Text]

The CPA has emerged from its 29th National Congress with a clear perspective to work with all other interested people and groups towards the formation of a new socialist party.

This decision represents a further development of the socialist renewal process initiated from the party's last Congress held two and a half years ago in November 1984.

After about seven hours of discussion and debate, the Congress passed the main political resolution, *Socialist renewal: where to now?*, with only a handful of votes against. Almost three hours of discussion and debate was devoted to a further resolution on ways of implementing the general perspectives of the main resolution.

Various amendments were proposed for both resolutions and were debated, sometimes with considerable intensity, especially during the debate on the implementation resolution. A minority at Congress also proposed a major addendum to the main socialist renewal document. This was defeated by a vote of slightly more than two to one.

However, both the majority and the minority were agreed on the need for a new socialist party, differing mainly on how this should be expressed, how it should be achieved.

and whether the CPA should put a definite time limit on achieving it.

While the minority argued for the CPA to set a definite time limit on the process, the Congress agreed that, even if this were possible, it was an issue for all those engaged in the new party to decide.

New socialist party

The main document adopted by Congress states and elaborates the CPA's view that the best way to develop a more effective form and face for socialism in Australia would be through a new socialist party.

The resolution also states the CPA's view that this should be achieved through a broad, public and democratic discussion involving all those "who support its basic aim: the development of a renewed left and socialist presence".

"Further to this basic condition," the document continues, "the process can only succeed if those involved share sufficient common views and perspectives to build a viable organisation."

Consultation

The document calls for a democratic discussion and consultation process which should "allow both participation by all interested activists as well as a consultative mechanism which ensures that no organisation, groups

or individuals can dominate or manipulate the process".

It also recognised the specific problems posed by the involvement in the process both of organisations and of many people not in any party or organised group. The resolution says:

"The CPA recognises that the decisive people to be involved in a successful renewal are the many activists in the unions and movements such as environmental, feminist, Aboriginal and ethnic minority movements, as well as in organisations and groups."

For this and other reasons, "the CPA accepts that it and other organisations should ensure that independent activists have the maximum input into discussions and debates and that any new formation should not be hampered by the accusation of being an existing organisation in another form, or under another name".

Three steps

The Congress decided on three immediate practical steps the CPA or its members would take to publicise the CPA's views and proposals on socialist renewal, and to engage in discussions with all those wishing to discuss a new party.

Firstly, to distribute the socialist renewal document as widely as possible to inform the broad left about the CPA's position on renewal and a new party, and actively to seek their views.

Secondly, party members would take part in the process of discussions launched by the leaflet *Towards a new party of the left*, which was published in April and has been widely distributed among left activists and supporters.

Thirdly, the CPA would seek discussions with other left parties

and groups to inform them of the CPA's position on a new party and to hear their views.

The CPA will take into discussions about any new party the basic analysis, aims, strategy and policies set out in the CPA Program, "while recognising that our theories, policies and methods are subject to ongoing development".

In seeking an open and open-minded discussion of the issues, the socialist renewal document calls on all those involved to avoid exclusions or adoption of predetermined positions based simply on prejudice or old enmities.

ALP

While deciding to engage actively in initiatives towards a new party the Congress also reaffirmed the CPA's commitment to the widest possible unity and co-operation of the whole left, including the ALP left.

The main resolution says that a basic need is to "create a renewed socialist movement of the broad left, including ALP members and independents, which acts cohesively".

Congress noted the many positive developments towards creating broad left alliances and networks particularly expressed in work around the extremely successful Broad Left Conference (BLC) at Easter 1986. The BLC has had an enduring effect in broad left work in areas such as the unions, and the Aboriginal and women's movements.

The CPA bases its commitment to socialist renewal and broad left unity on the urgent need for the left to become a more effective and appealing alternative. The congress resolution notes that 1987 is the centenary of the organised socialist

movement in Australia (1887 saw the formation of the first two socialist groups).

In this centenary year, "Australian socialism faces a challenge to its relevance and to its capacity to influence the country's political direction", the resolution declares. However, it also faces "an historical opportunity to renew itself ... and to become a more effective force in Australian politics and society".

Both the challenges and opportunities stem from the worsening crisis and global restructuring of capitalism, for which neither traditional conservatism, nor the New Right, nor the dominant ALP right can provide effective and equitable solutions.

At the same time, the resolution notes, "the whole left, including the ALP left, has been unable to stop the drive for privatisation, deregulation, lower wages and the neglect of the causes of unemployment and poverty".

The left has been "unable to build effective mass mobilisation and political counterweights to the rightward drift of the Labor Governments ...".

Further: "These experiences have starkly highlighted the crying need for a more effective and credible left political alternative - a socialist alternative which can argue the case against, and mobilise mass responses to, rightwing policies. An alternative which can build popular support for genuine radical reforms and more far-reaching changes".

The CPA is actively committed to working with others towards the creation and building of such an effective alternative. We ask all others of similar intent and goodwill to join in this pressing common task.

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CSO: 4200/815

WEEKLY REPORTS CPA 29TH CONGRESS

Sydney TRIBUNE in English 10 Jun 87 p 2

[Article by Denis Freney: "CPA Congress Backs a New Party of the Left"]

[Text]

SYDNEY: Over 300 people, about half of them invited guests, packed out the Glebe Town Hall for the opening of the Communist Party's 29th Congress last Friday night.

Karen Flick from the Aboriginal land rights movement, Luis Jalandoni of the NDP of the Philippines, Antonio Hernandez from the FMLN of El Salvador, Victor Moché of the ANC of South Africa and others addressed the opening.

The meeting responded enthusiastically to speakers and entertainment and gave nearly \$900 to the CPA's international solidarity fund.

About 90 Congress delegates and alternates began debate of the main document *Socialist Renewal: Where to Now?* on Saturday morning. This document was devoted to the urgent issue of socialist renewal — to "the crying need for a more effective and credible left political alternative".

Nearly three years of wide-ranging discussion throughout the whole left on the need for socialist renewal has occurred since the process was initiated at the last CPA Congress.

Charter

Congress noted the recent production and distribution of the leaflet, *Towards a New Party of the Left*, whose stated purpose is "to launch a broad process of discussions and consultations as the first concrete steps towards forming a new party of the Left". This "provides the first really public and open forum to discuss proposals for a new party".

Congress said it believed CPA members should take part in this process, including to "develop the socialist elements of the new party charter so that the essential features of socialism can be expressed in contemporary and relevant ways".

The CPA will review its work on these issues at state and district conferences in about a year's time and consider its attitude to further development of the process.

The charter "process" should not be dominated by the CPA or any other organised party or group, Congress stressed. The involvement of large numbers of unorganised socialists and activists is essential if a new party is to be a success.

Congress decided to continue contact with existing left parties and

groups to build the closest possible left unity.

Major document

The other major congress document, *Democratic Public Control Against the Deregulators and Privatisers*, dealt with the economic and industrial situation.

Proposals in documents about the federal elections were overtaken by the early date set for them.

Congress referred these back to the National Committee for redrafting, but affirmed the need to mobilise for the defeat of the Liberal-National bid for power and

to gain maximum support for progressive candidates.

In a very full agenda, Congress also adopted a series of resolutions on Aboriginal land rights, party organisation, the Philippines, South Africa, Central America, Kanaky, East Timor and West Papua, the Soviet Union, peace and nuclear disarmament, the dismissal of the Sydney City Council, and a special resolution on Fiji.

A minority position at the Congress moved amendments to the main congress documents. These and other issues at Congress will be discussed in future articles.

Documents and resolutions adopted at the Congress will be available for sale shortly.

/9317
CSO: 4200/815

OVERSEAS PARTIES, GROUPS HAIL CPA CONGRESS

Sydney TRIBUNE in English 17 Jun 87 p 13

[Article: "29th CPA Congress: We Wish You Well..."]

[Text]

Over 30 overseas parties and groups have sent messages and greetings to the CPA's 29th Congress. (Messages were still arriving after the Congress.) We publish here extracts from some of these messages and the full list of messages received.

African National Congress:

We who are fighting to rid our motherland of the cruel yoke of Apartheid, white minority colonial domination, imperialist exploitation and for the building up of a free, democratic, non-racial united South Africa have every confidence that your Congress deliberations on such crucial questions as the building up of a broad front of progressive, democratic forces, will be a further contribution to the global struggle for peace, disarmament and the creation of a world order based on just and equitable relations among all nations of the world.

Communist Party of Viet Nam:

We wish your Congress great success. The Communist Party and people of Viet Nam wish to express sincere gratitude to the

Communist Party and people of Australia for their whole-hearted support to the Vietnamese people's cause of construction and defence.

Communist Party of Italy (PCI):

Your party and its political directions are assuming a growing degree of importance in an area of the Pacific which has increasing importance for peace, security and economic development to the whole world.

These are the times for a new and greater consensus and realisable political initiatives of the different forces on the Left. These are at the centre of our political discussions and of our political battles and ideals in Europe.

Japanese Communist Party:

In the Pacific region where Japan and Australia are located, the prevention of nuclear war and total prohibition and elimination of nuclear weapons and the defence of national right to self-determination are the pressing tasks to which both our two parties attach importance as major questions at international level ...

In the Pacific region, the Reagan administration with its arms buildup policy is amassing an increasing number of vessels carrying nuclear weapons, and the growing danger is that this region will be turned into a nuclear battlefield.

Communist Party of Great Britain:

We note with interest the themes which will be in the forefront of your discussions. These are the questions that are of vital importance not only in Australia, but in other developed capitalist countries, taking into account differences in specific circumstances.

Communist Party of the Philippines:

Allow us to extend our deepest appreciation to the leaders and members of your party for the strong, untiring and consistent solidarity with the Filipino people's struggle.

German Greens Petra Kelly and Gert Bastian:

We wish much success for your congress and hope that greening will take place everywhere especially in the Australian Left, for radical disarmament and human rights and social justice everywhere.

Messages also came from Chilean Socialist Party; Communist Party of China; Popular Vanguard Party of Costa Rica; Socialist People's Party, Denmark; French Communist Party; Greek Left; Communist Party of Guadeloupe; Israeli Council for Israeli/Palestinian Peace; AKFM, Madagascar; Anti-Imperialist Front, Malta; Mauritius People's Progressive Party; Socialist Unity Party of New Zealand; Socialist Left Party, Norway; Romanian Communist Party, Communist Party of Spain; Lanka Sama Samaja Party, Sri Lanka; Sri Lanka Human Rights Campaign, Left Party—Communists of Sweden; Swiss Party of Labour; Communist Party of Uruguay.

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CSO: 4200/815

INDONESIA

BRIEFS

JAPANESE TECHNICAL AID--Indonesian-Japanese relations and cooperation will be further strengthened with Japan's plan to send its junior experts to Indonesia as part of its technical assistance program to developing countries. A diplomatic note to that effect as a result of annual consultation between the two countries was signed by Director General of Foreign Economic Relations Rusli Nur and Japanese Ambassador to Indonesia Toshiaki Muto at the Foreign Affairs Department in Jakarta today. The junior experts to be sent to Indonesia will soon be selected among youths, based upon their technical qualifications in their own fields and the needs of the Indonesian Government. [Text] [Jakarta Domestic Service in Indonesian 1500 GMT 7 Aug 87 BK] /12232

OUTGOING BULGARIAN AMBASSADOR--Outgoing Bulgarian Ambassador to Indonesia Yuli Bakhnev paid a farewell call on Information Minister Harmoko in Jakarta on 6 August. The minister briefed the Bulgarian ambassador on the system and orientation of information in Indonesia. [Summary] [Jakarta BERITA BUANA in Indonesian 7 Aug 87 p 1 BK] /12232

AIRFORCE SPECIAL TROOPS COMMANDER--Jakarta, 15 August (ANTARA)--Colonel Maman Suparman has been installed as commander of the Indonesian Airforce Special Troops, Replacing Air Commodore I.E. Siagian, the Information Service of Airforce Headquarters announced Friday. The transfer of post was carried out in a military ceremony Thursday. Rear Marshal L.E. Siagian will take a new post as a supervisory inspector at the Airforce Inspectorate General. [Text] [Jakarta ANTARA in English 0745 GMT 15 Aug 87 BK] /12232

TELEPHONE LINK WITH INDIA--Jakarta, 15 August (ANTARA)--Indonesia and India opened a 2-way direct telephone link Friday as one of the steps to expand cooperation in the field of telecommunications between the two countries. Minister of Tourism, Post and Telecommunications Ahmad Tahir inaugurated the new telephone connection by making a direct call from Jakarta to Indian Communications minister Arjun Singh in New Delhi. At present, Indonesia has direct telephone links with 127 countries, from its major cities including Jakarta, Bogor, Bandung, Medan, Semarang, Surabaya, Denpasar (Bali) and Tana Toraja (South Sulawesi). [Excerpts] [Jakarta ANTARA in English 0436 GMT 15 Aug 87 BK] /12232

CSO: 4200/813

CGDK HEALTH MINISTRY CONDEMNS SRV USE OF POISON

BK170545 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT
16 Aug 87

[14 August statement by CGDK Ministry of Health]

[Text] In this ninth rainy season, due to their increasing difficulties on the battlefield of aggression in Cambodia, the Vietnamese enemy aggressors have intensified their massacre of innocent Cambodian people in areas temporarily under their control. The Vietnamese have dispatched their agents to put poison in water sources, vegetables, food crops, foodstuff, fish paste, fermented fish, dried fish, smoked fish, rice, medicine, sugar, clothing, and so on, sold in markets or in other places. The statements by the CGDK's Ministry of Health have successively drawn the attention of international opinion to the great crime systematically planned by the Hanoi Vietnamese aggressors to massacre the Cambodian race and people through toxic chemical weapons.

In July and early August, 537 of our people in the provinces of Kampot, Takeo, Kompong Speu, Kompong Thom, Siem Reap, and Batamabang have died, while many hundreds have been seriously affected. More continue to be affected. These poisons are very noxious, causing instant death to our people. These poisons cause:

1. Instant death through suffocation.
2. Hemorrhaging through the skin, eyes, nose, and mouth; and instant death.
3. Abdominal distension, uneasiness in the chest, pain, anal and oral hemorrhaging, and instant death.
4. Severe facial burns, at the mouth, and on the limbs; anal hemorrhage; and instant death.
5. After being affected for a long period, the patients become pale and thin followed by death.

On behalf of the entire Cambodian people and the families of victims affected by the Vietnamese enemy aggressors' poisons, and on behalf of the CGDK, the

CGDK Ministry of Health condemns with utmost rage this great crime of the Vietnamese enemy aggressors and appeals to mankind's conscience, to the United Nations, to the governments of peace- and justice-loving countries, and to various international humanitarian organizations to further pay particular attention to the serious crime of the Hanoi Vietnamese aggressors who have been using poisons to massacre innocent Cambodian people everywhere daily. We appeal to these people to raise their voices in condemning the Vietnamese enemy aggressors and to take all kinds of effective measures to quickly check the use of toxic chemical weapons by the Vietnamese to prevent them from continuing to massacre the Cambodian people at will.

The best and most effective measure to safeguard the Cambodian people's lives is to continue to unite and force the Hanoi Vietnamese enemy aggressors to abide by and implement the successive resolutions of the UN General Assembly, which demand that Vietnam unconditionally pulls out all its aggressor forces from Cambodia and respect the Cambodian people's right to self-determination.

The CGDK Ministry of Health calls on our people throughout the country to be vigilant and to take measures to prevent Vietnamese agents from carrying out their activities to spread poison to massacre our people at will. Please take measures to do away with these Vietnamese agents quickly. Furthermore, would all compatriots do the following:

1. Before buying clothes, medicine, dried fish, smoked fish, fish paste, fermented fish, vegetables, and fruits sold in markets or picked from orchards, please thoroughly examine them.
2. Water sources and communal or family wells should be guarded and be fitted with covers to protect them.
3. Water jars should be covered. Utensils for everyday use should be kept inside the house.
4. Vegetable patches and crops in the fields should be guarded against poison spread by Vietnamese agents.

In sum, in areas temporarily under Vietnamese control as well as in areas accessible to Vietnamese agents, to ensure that foodstuff and commodities sold publicly are safe, please test them on animals first.

[Dated] 14 August 1987.

[Signed] CGDK Ministry of Health.

/9599
CSO: 4200/819

VONADK CITES OPINION POLL ON SRV PRESENCE

BK170706 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 16 Aug 87

[**"Article": "The Cambodian People Demand That the Vietnamese Enemy Get Out of Cambodia"**]

[Text] Every time the world demands that the Vietnamese withdraw all their aggressor forces from Cambodia, the Hanoi Vietnamese enemy aggressors always claim that they have come to Cambodia at the request of the Cambodian people and the puppet government put up by the Vietnamese in Phnom Penh, and that they will pull out their forces from Cambodia when the Cambodian people and the puppet government in Phnom Penh ask them to do so, and so on.

Recently, because of persistent demand and pressure from international opinion for an unconditional withdrawal of all Vietnamese troops from Cambodia in accordance with UN resolutions, the Vietnamese enemy aggressors dispatched their soldiers and administrative agents with tape recorders to localities in Cambodia to sound out the Cambodian people's opinion. In their dream, the Vietnamese aggressors hoped that, under the threat of Vietnamese soldiers' bayonets, the Cambodian people would give a favorable answer to the Vietnamese question and they would record these answers from our people to use in their propaganda as evidence to legitimize their act of aggression in Cambodia and then continue to occupy Cambodia forever.

The Vietnamese enemy aggressors asked the Cambodian people in every locality this question: If Vietnamese forces are withdrawn from Cambodia, can the Cambodian people defend themselves? What was the Cambodian people's answer? Generally speaking, our people in every locality responded to this Vietnamese question by telling the Vietnamese to get out of Cambodia and that the Cambodian people do not need the Vietnamese aggressor forces in Cambodia.

Faced with the Cambodian people's firm and clear answer from every locality, the Vietnamese are panicking because this is the Cambodian people's political voice which is ringing out in every locality, calling on the Vietnamese enemy aggressors to get out of Cambodia. This is a powerful voice, repudiating the tricky and deceitful Vietnamese enemy aggressors' claim and propaganda that the Cambodian people prefer the Vietnamese aggressors to Cambodian resistance forces, that the Cambodian people assist and support the Vietnamese act of

aggression in Cambodia, and that the Cambodian people want the Vietnamese forces' presence in Cambodia to ensure the Cambodian people's safety, and so on.

The Cambodian people's firm and clear answer from every locality therefore has clearly exposed the Vietnamese enemy aggressors' propaganda. The Cambodian people are not only unanimous in their answer to the Vietnamese but have also shown it through concrete activities daily. Our people have collaborated and cooperated with the National Army, which are the forces fighting against the Vietnamese enemy aggressors, to smash and destroy Vietnamese administrative networks in every locality daily.

The Vietnamese enemy aggressors should not pretend not to know or realize the Cambodian people's request and will. The Cambodian people in every locality have now made it clear that the Vietnamese should get out of Cambodia and that the Cambodian people do not need the Vietnamese aggressor forces in Cambodia. If the Vietnamese remain stubborn and continue to occupy Cambodia, then the Cambodian people have no other choice but to continue to unite and struggle against the Vietnamese enemy aggressors in every form until they are forced to resolve the Cambodian problem politically in accordance with the CGDK's 8-point peace proposal and to pull out all its aggressor forces from Cambodia as prescribed by successive UN General Assembly resolutions.

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CSO: 4200/819

VOK DOUBTS VIETNAMESE STAND ON CAMBODIA ISSUE

BK150814 (Clandestine) Voice of the Khmer in Cambodian 0500 GMT 15 Aug 87

[Station commentary: "Is This the Hanoi Authorities' Trick"]

[Text] Many new events in the search for a solution to the Cambodian problem have emerged successively, particularly from Vietnam, the Soviet Union, and the colleagues of these aggressors. These events have drawn keen attention from many observers who have watched carefully to see how this matter will develop.

Are these events a sign that Vietnam and the Soviet Union have had enough of their expansionist ambition and softened their stand by really trying to find a solution to this problem, or are they just an attempt to draw a breathe to seek a new trick to realize their previous desire? Of these possibilities, we will discuss only the latter--the Vietnamese trick.

We still doubt the Vietnamese stand because we know the Vietnamese's tricky nature very well, from an ordinary Vietnamese fish vendor at Psa Thmei market in Phnom Penh to the top Vietnamese leaders in Hanoi.

Through these new events, the Vietnamese wanted to show that they are good, that they dare not say a word in this matter, that they leave everything to be decided by the Cambodians themselves, and that they will wait and see until the second stage before considering whether they should join the talks to end the Cambodian conflict. What is doubtful is why don't the Vietnamese join in the talks directly? Why must they beat about the bush so much? By doing so, it seems that the Vietnamese want to whitewash themselves from being aggressors against Cambodia and to show that it is a conflict among Cambodians themselves. Who does not know that Mr Heng Samrin and Mr Hun Sen cannot do anything at all by themselves?

The Voice of the Khmer realizes that the CGDK does not seem to hate or look down upon any Cambodian group because such an attitude is an obstacle to the reconciliation of the Cambodian nation. But, this is not a conflict among Cambodians nor a civil war. It is a war of aggression. The Voice of the Khmer does not object to any measure which might reconcile the Cambodians, enable the Cambodians to seize independence from the Vietnamese aggressors, and bring peace to Cambodia again. We only doubt that this might be a

Vietnamese trick to fool the world into believing that the war in Cambodia is an internal war among Cambodians.

The Voice of the Khmer would like to join with the Cambodian people in general in examining this matter a little further, particularly regarding the real stand of the Hanoi leaders. However, we still think that if the Vietnamese are really sincere, they should join in the talks with the CGDK to settle this Cambodian problem according to reality. Otherwise, the Voice of the Khmer will always doubt the Vietnamese stand until we can see the real outcome of the settlement of this problem. We also believe that as long as there is no real outcome, the Cambodian people's struggle against Vietnam will remain as fierce as ever.

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CSO: 4200/819

VODK CALLS FOR CONSTANT UNITY OF CAMBODIANS

BK140711 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT
13 Aug 87

[Station commentary: "It Is Necessary to Strengthen and Expand the Entire Great National Union of Cambodia More Firmly and Broadly Now and in the Future"]

[Text] Our Cambodia is being invaded and occupied by hundreds of thousands of troops of the Hanoi Vietnamese enemy who have robbed and massacred our people, seized our people's houses and land, and caused great devastation everywhere in our fatherland.

The Vietnamese enemy's current war in Cambodia is not just an ordinary war of aggression. It is a war to exterminate the Cambodian race so that Vietnam can annex Cambodia easily. In the face of such a grave danger of losing our nation and race, our entire Cambodian nation and people inside and outside the country have jointly waged all forms of struggle against the Vietnamese aggressors for the defence of our nation and race. Particularly, after the birth of the CGDK in 1982, our people's great national union has been firmly and broadly strengthened and expanded, thus enabling our struggle against the Vietnamese enemy to achieve successive victories both on the battlefield and in the international arena.

On the battlefield, our people, our DK National Army, and all patriotic armed forces have united closely and fought more vigorously against the Vietnamese enemy everywhere, bogging it down more deeply and plunging it into a total impasse on the battlefield.

In the international arena, our three CGDK groups have jointly launched diplomatic activities, exposing the Vietnamese enemy's tricky and cunning maneuvers, and won more enthusiastic sympathy and support from the world community and the fraternal Cambodians living abroad.

After our CGDK declared its 8-point peace proposal for political settlement of the Cambodian problem, our people, all Cambodian nationals, friends near and far throughout the world, and all peace- and justice-loving countries have become more satisfied with the great national union policy of the CGDK. They have actively supported our people's struggle and jointly attacked and

pressured the Vietnamese enemy more actively and vigorously in all fields, thus causing more defeats and difficulties for the Vietnamese enemy and isolating it even more seriously.

All of this is the good outcome of our great national union efforts made during the past several years. Our great national union is significant not only in the present time. At present, we do need a broad great national union so that we have great strength both inside and outside the country for our struggle to drive all Vietnamese enemy aggressors out of our Cambodian territory. But in the future, we also need a firm and broad great national union for the defense and construction of our country. This is because in such a situation when our small Cambodia is located near the mouth of this Vietnamese crocodile who always waits for a chance to eliminate and eat us up, we need a firm great national union and support from the international forces to enable us to defend and build our country. Even if Vietnam were compelled to withdraw all its troops from Cambodia, it would certainly return should we Cambodians become divided and weak again. If so, our Cambodia will become a sweet cake for the Vietnamese, all of us will die, and our Cambodian nation and race will certainly vanish from the world map.

Realizing the vital essence of the great national union, our CGDK, DK National Army, all patriotic Cambodian armed forces, and all our people have upheld our great national union above all else, in the past, now, and will in the future.

Standing firm on the 8-point proposal--our national constitution--our Cambodian nation and people pledge to strengthen and expand their great national union more firmly and broadly and intensify their struggle against the Vietnamese enemy aggressors and race exterminators more vigorously until all of them are driven out of our Cambodian territory and until our Cambodian nation and people are totally and permanently liberated.

/9599
CSO: 4200/819

KOMPONG CHAM RUBBER PLANTATIONS ATTACKED

BK190120 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 18 Aug 87

[From the "Daily Report from Various Battlefields" feature]

[Excerpt] East Kompong Cham battlefield: On 13 August, our National Army launched a three-pronged attack against three rubber plantations of the Vietnamese enemy at Ta Ngel hill, Thmar Pich, and Chrap in Tbong Khmum District. After 20 minutes of fighting, we liberated these three areas. As a result:

We killed or wounded a number of Vietnamese enemies; destroyed 9 trucks, 12 tractors, a waterpump, 2 power generators, 2 large 10,000 liter oil cisterns, 6 barrels of diesel oil, 2 rubber plantation offices, a materiel storehouse--20 meters long and 15 meters wide--packed with materiel, a crepe rubber warehouse, a bicycle, a motorcycle, a large calculator, a medicine storehouse containing one metric ton of medicines, and a quantity of materiel.

We seized 6 AK's, 2,000 rounds of AK ammunition, a bicycle, a typewriter, 100 sets of clothes, and a quantity of war materiel.

/9599
CSO: 4200/819

PEOPLE'S REPUBLIC OF KAMPUCHEA

KAMPUCHEA

SPK CONDEMNS THAI 'INHUMAN ACT AGAINST REFUGEES'

BK151259 Phnom Penh SPK in English 1102 GMT 15 Aug 87

["Thailand's Inhuman Act Against Refugees"--SPK headline]

[Text] Phnom Penh, 15 Aug (SPK)--According to B.B.C., Thai soldiers recently killed two Kampuchean refugees at the biggest refugee camp in Southeast Asia, called "Site 2," some 200 km east of Bangkok.

This barbarous act has roused strong indignation among people of conscience, including the I.C.R.C. [International Committee of the Red Cross] and U.N.H.C.R. [United National High Commissioner for Refugees] representatives in Bangkok who lodged a strong protest against the Thai Government.

Speaking at a conference in Bangkok, the I.C.R.C. representative pointed out that the situation at that 160,000-inmate camp now turned very dangerous and the refugees suffered so severe a harrassment that a number of them committed suicide to avoid witnessing the unreasonable tortures and crimes constantly committed there.

In an article published in April this year, the "SUNDAY TIME" paper described the miserable life of the Kampuchean refugees who had been subjected to frequent displacement without any notice in advance, to barbarous tortures by Thai soldiers, including beating, kicking, piercing with hot iron rod, pouring salt water on the wound, etc.

[? These] new inhuman acts committed by Thai soldiers constitute a gross violation of international laws regarding refugees, and an arrogant challenge to the world people.

This has shed more light on the fact that the Thai authorities have haboured refugees just to extract more and more humanitarian aids and to cause tension along the Kampuchean-Thai border.

The Thai authorities must stop their criminal acts against the refugees and honour the protocol on the refugee status signed by 99 countries in 1967 before it is too late.

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CSO: 4200/819

SPK REPORTS THAI INCURSIONS IN WEEK ENDING 8 AUGUST

BK160643 Phnom Penh SPK in French 0408 GMT 16 Aug 87

[Text] Phnom Penh, 16 Aug (SPK)--In the week ending 8 August, Thai L-19's, F-5's, and helicopters made 10 reconnaissance flights over the sectors of the three-border junction, north of Anlung Veng, P'ong, Chan Kraham (Siem Reap-Oddar Meanchey Province), and O Da (Battambang), from 2 to 4 km inside Cambodian territory.

Thai artillery pounded the sectors of the three-border junction, Preah Vihear Temple, Kou Village, northwest of Hill 715, and southwest of Toek Sok (Battambang Province).

At sea, the Thai navy penetrated Cambodian territorial waters 132 times from 5 to 25 nautical miles off various islands of Koh Kong Province. More serious still, on 29 July four Thai warships violated Cambodian waters off Kaoh Kut island covered by an L-19.

Cambodian Armed Forces, in collaboration with Vietnamese volunteers, meanwhile put out of action 206 reactionaries infiltrated from Thailand for sabotage and seized 116 assorted weapons and other war materiel.

/9599
CSO: 4200/819

PEOPLE'S REPUBLIC OF KAMPUCHEA

KAMPUCHEA

VIENTIANE DELEGATION LEAVES AFTER WEEK-LONG VISIT

BK171208 Phnom Penh SPK in English 1058 GMT 17 Aug 87

[Text] Phnom Penh, 17 Aug (SPK)--A delegation of the Vientiane Committee of the Lao People's Revolutionary Party led by its secretary Sisavat Keobounphan left Phnom Penh Sunday after a week-long official friendship visit to Kampuchea.

The delegation was seen off at Pochentong Airport by Nguon Nhel, candidate Politburo member of the People's Revolutionary Party of Kampuchea Central Committee and secretary of the Phnom Penh Party Committee; and Thong Khon, candidate member of the party Central Committee and mayor of Phnom Penh.

Lao Ambassador Pheli Khonlaleuk was also present.

While in Kampuchea, the delegation was received by Hun Sen, Politburo member of the People's Revolutionary Party of Kampuchea Central Committee and premier. It held talks with its Kampuchean counterpart led by Nguon Nhel and met with officials of the Kampuchea-Laos Friendship Association. It also visited the Phnom Penh shopping centre, the Tuol Sleng museum of Pol Pot genocide, the National Museum, the former Royal Palace, the "Cuu Long" orphanage, some industrial establishments in Phnom Penh and Angkor Wat in Siem Reap-Oddar Meanchey Province.

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CSO: 4200/819

BRIEFS

DELEGATION RETURNS FROM MPR--On the morning of 29 July, the Cambodian Buddhist delegation led by Superior Bonze Tep Vong, vice chairman of the National Assembly and of the KUFNCD National Council and chairman of the PRK's Asian Buddhist Conference for peace organization, safely returned home after successfully attending the meeting of the Executive Committee of the Asian Buddhist Conference for peace organizations in the MPR capital. Greeting the delegation at Pocheutong Airport was Comrade Min Khin, deputy general secretary of the KUFNCD National Council, and many cadres of the KUFNCD National Council office. [Text] [Phnom Penh Domestic Service in Cambodian 1300 GMT 30 Jul 87 BK] /9599

ARMED FORCES IN SIEM REAP--Between 7 and 14 July, the armed forces of Siem Reap-Oddar Meanchey Province killed 14 enemy soldiers, wounded 5 others, persuaded another to surrender, and seized 12 AK's, 2 B-40's, and a B-40.5. [Excerpt] [Phnom Penh Domestic Service in Cambodian 2300 GMT 3 Aug 87 BK] /9599

RETURNEES IN SIEM REAP--After a week-long mass persuasion campaign at the end of the first half of this year, Svay Leu District of Siem Reap-Oddar Meanchey Province received 40 misled persons who brought along 26 assorted weapons, 132 mines, and 7 grenades. [Excerpt] [Phnom Penh Domestic Service in Cambodian 0430 GMT 4 Aug 87 BK] /9599

BATTAMBANG RETURNEES--Phnom Penh, 8 Aug (SPK)--During the first 7 months of this year, 709 persons misled by enemy propaganda presented themselves to revolutionary authorities in various localities in Battambang Province, 300 km northwest of Phnom Penh. The returnees, including 366 Pol Pot soldiers, brought along 431 assorted weapons and some ammunition. [Text] [Phnom Penh SPK in French 0429 GMT 8 Aug 87 BK] /9599

KPRAF KILLS 117 IN PAST WEEK--During the past week, the KPRAF in cooperation with the Vietnamese Army volunteers accomplished new feats in their sweep operations against the enemy of all stripes by putting 175 enemy elements out of action, including 117 killed, 22 captured, and 18 surrenders [all figures as heard]. We seized 114 assorted weapons, a field radio, 314 support shells, 20 rucksacks, 280 kg of rice, 6 documents, and a large quantity of war materiel. [Excerpt] [Phnom Penh Domestic Service in Cambodian 1200 GMT 13 Aug 87] /9599

OFFICIALS LEAVE AFTER INDOCHINA MEETING--Phnom Penh, 18 Aug (SPK)--The Vietnamese and Lao vice-foreign ministers, Tran Quang Co and Soulivong Phasithidet, have left here after attending the conference of the three Indochinese vice-foreign ministers held in Phnom Penh on 12-13 August. They were seen off by Prach Sun, vice president of the party CC's External Relations Commission, Vice-Foreign Minister Bo Rasi and other Kampuchean officials. The Lao and Vietnamese ambassadors to Kampuchea were also present. [Text] [Phnom Penh SPK in English 1107 GMT 18 Aug 87] /9599

SRV EXPERTS DECORATED ON NATIONAL DAY--Phnom Penh, 19 Aug (SPK)--On the occasion of the 42d Vietnamese national day, the PRK Council of State conferred 14 Labor Orders and 3 Friendship Orders on 17 Vietnamese experts at the end of their internationalist mission in Cambodia. Speaking at the ceremony held Tuesday evening in Phnom Penh, Chea Soth, member of the Political Bureau of the KPRP Central Committee and vice chairman of the Council of Ministers, sincerely thanked the Vietnamese experts and volunteers. He stressed that the success scored by the Cambodian people during these past 8 years is inseparable from the support and assistance of the Vietnamese brothers. Also present were Sam Sandoeun, member of the KPRP Central Committee and first secretary of the Kampuchean People's Revolutionary Youth Union; Ung Phan, minister attached to the PRK Council of Ministers; and Tran Van Long, deputy chief Vietnamese experts' corps in Cambodia. [Text] [Phnom Penh SPK in French 0400 GMT 19 Aug 87] /9599

CSO: 4200/819

PHILIPPINES

LAUREL ASSESSES VISIT TO ASEAN NEIGHBORS, ISSUES

Outlines Topics in Malaysia

BK180911 Manila PNA in English 0901 GMT 18 Aug 87

[Text] Manila, 18 Aug (PNA)--Philippine Vice President and Foreign Affairs Secretary Salvador Laurel Tuesday [18 August] said Malaysia has offered its assistance in checking the illegal flow of arms through the Philippines' southern backdoors by Muslim rebels.

Briefings newsmen shortly after his arrival from a 5-day visit to Malaysia, Indonesia, and Singapore, Laurel said his visit was part of a normal ASEAN consultation touching on regional security posed by the Kampuchean problem.

In his meeting with Malaysian diplomats Laurel said Malaysia has denied supporting Filipino Muslim rebels, saying they respect the Mindanao problem as a purely domestic issue.

Laurel said he was briefed by the army commander-in-chief, Gen Chawalit Yongchaiyut, on their successful methods of tackling their insurgency problems which could be applicable to the Philippines.

Laurel also denied he had announced that the Philippines is giving up the claim over Sabah, adding that his meeting with Malaysian Prime Minister Mahathir Mohamed and Foreign Minister Abu Hassan Omar resulted in a happy development.

Laurel, however, refused to reveal the details of the development. But he said other issues discussed during the meeting were the possibility of drawing up an extradition treaty with Malaysia, including a provision for border patrol to contain gun smuggling and illegal crossing.

On the Filipino refugees in Sabah, Laurel said it was a common belief that the problem is quite complicated since many who are already gainfully employed chose to remain while others would prefer to be repatriated.

Claims 'Happy Development' on Sabah

HK181201 Manila PHILIPPINE DAILY INQUIRER in English 17 Aug 87 pp 1, 9

[Article by Chay Florentino]

[Text] Foreign Secretary Salvador H. Laurel yesterday returned from a 7-day visit to three Asian countries and reported a "happy development" in the negotiations for a peaceful settlement of the Sabah problem between the Philippines and Malaysia.

"I met with (Malaysian) Foreign Minister Abu Hassan Omar and Prime Minister Mahathir Mohammed. We discussed Sabah, among other issues. There is a happy development. Both sides are now ready to resolve the Sabah question," Laurel told reporters at the Manila International Airport.

Laurel planed in from Bangkok where an informal meeting of the foreign ministers of the Association of Southeast Asian Nations was held the other day. Prior to Bangkok, Laurel visited Malaysia and Singapore.

Laurel denied reports quoting him as saying the Philippines will drop its Sabah claim. "What I said was that both sides are ready to resolve the Sabah question and that the matter has to be resolved in a manner mutually acceptable to both sides," Laurel said.

A series of agreements is being worked out with Malaysia, he said, among them an extradition treaty which will enable the government to go after nationals who have committed serious crimes against the state, he said.

He described as "complicated" the case of approximately 200,000 Filipinos who fled to Sabah at the height of the Muslim rebellion in the South in the 1970's.

"We have to go through all the tedious process of finding out who wants to stay and whose stay can be legalized," Laurel said. A number of the refugees who have found jobs there are reportedly reluctant to return to the country.

During talks with Malaysian officials, Laurel said they discussed means of strengthening the security of the Mindanao-Sabah border through a patrol agreement.

On the Mindanao problem, the foreign secretary said Malaysia supports the Philippine position that the conflict is an "internal matter."

"They would like to see political stability in the country," Laurel said.

He said Malaysia has repeatedly denied having sent aid to Muslim rebels. Laurel said the supposed aid may have been sent to the rebels without the knowledge of the Kuala Lumpur government.

Prior to his departure, Laurel said that the flow of illegally shipped arms to these rebels through Malaysia was "substantial."

Laurel also said the proposed "cocktail party" between the two warring factions of Cambodia--the Vietnamese-installed government of Heng Samrin and the United Nations-recognized Coalition Government of Democratic Kampuchea (CGDK) represented by Prince Norodom Sihanouk--has been tentatively set in Bogor, Indonesia.

But he said Vietnam has yet to formally respond to the ASEAN ministers' proposal for the "one-meeting, two-stage informal get-together." ASEAN is also still awaiting a reaction from the CGDK.

The gradual pullout by Vietnamese troops from Kampuchea by 1990 and the holding of a UN-sponsored election are among the peace proposals.

"It's up to Vietnam to indicate what date is acceptable," Laurel said.

Assesses SRV-ASEAN Talks

OW071053 Tokyo KYODO in English 1047 GMT 7 Aug 87

[Text] Manila, 7 Aug (KYODO)--Talks between the Association of Southeast Asian Nations (ASEAN) and Vietnam seeking an end to the war in Kampuchea were at a "delicate stage" after the regional group won support from Hanoi for the holding of informal talks between Kampuchean resistance groups and the Heng Samrin government in Phnom Penh.

Philippine Foreign Secretary Salvador Laurel said Friday the six-nation group stands by the commitments made by Indonesian Foreign Minister Mokhtar Kusumaatmaja to Nguyen Co Thach, his Vietnamese counterpart, during their meeting last month.

"This is now a delicate stage of negotiations and we don't want to reveal too much of the details," Laurel told reporters. "We fully support the efforts being undertaken by Foreign Minister Mokhtar as our (ASEAN) chief interlocutor vis-a-vis Vietnam."

Vietnam maintains an estimated 140,000 troops in Kampuchea which it has occupied since ousting the pro-Beijing Khmer Rouge government in 1978.

The press conference was held to highlight the regional association's 20th anniversary on Saturday. Laurel was joined by the ambassadors of Indonesia, Thailand, Singapore, Malaysia, and Brunei.

Asked whether he thought progress had been made by Mokhtar's visit to Hanoi, Laurel said, "I would not say there has been a forward development...but I would say there has been movement...one thing is sure, it is not stagnant."

"As long as there is movement, I think it is a good sign," he added. The regional bloc, which has successfully blocked efforts of the Heng Samrin government to gain recognition in the United Nations, considers the resolution of the Kampuchean problem a priority.

Calls SRV Troops Threat to Peace

BK080504 Quezon City Sports Radio 738 in English 0300 GMT 8 Aug 87

[Text] Vice President and Foreign Secretary Salvador Laurel said the ASEAN nations have urged Vietnam to withdraw its troops from Kampuchea. Laurel said the more than 140,000 Vietnamese troops continue to pose a grave threat to world peace, in particular to the peace and stability of the Southeast Asia. Laurel said the Coalition of Democratic Kampuchea under Prince Norodom Sihanouk has sought the help of the ASEAN nations for a peaceful settlement of the issue.

Assesses Thailand Visit

BK161046 Bangkok Television Service in Thai 1300 GMT 15 Aug 87

[Text] Philippine Vice President and Foreign Minister Salvador Laurel told a news conference at the Philippine Embassy that he has learned many things from his visit to Thailand. He said that during his stay here he was able to hold consultations with many important Thai officials including the prime minister, the foreign minister, and leading businessmen. His majesty the king also granted him an audience during which the Philippine vice president was very impressed by the king's experiences and concern for the people's well-being. He noted that the Thai people are extremely fortunate to have such an understanding and selfless monarch.

The Philippine vice president disclosed that his meeting with Army Commander General Chawalit Yongchayut was very useful since he can learn many things--in particular, the suppression of terrorism in which Thailand has been very successful. He said Thailand has also set a good example in the area of economic cooperation.

The Philippine vice president expressed his admiration for Thailand's brilliant success in tourism promotion, adding that both Thailand and the Philippines have agreed that they should explore all existing potentials for further expansion of bilateral trade relations.

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CSO: 4200/820

COURT RULES IN ASIAN WALL STREET JOURNAL CASE

BK131407 Hong Kong AFP in English 1351 GMT 13 Aug 87

[Text] Singapore, 13 August (AFP)--The ASEAN WALL STREET JOURNAL won the right Thursday to contest a Singapore Government order that has restricted its sales here from 5,000 to 400 copies a day since 16 February.

But the High Court, in granting permission, ordered the Hong Kong-based regional daily to file a fresh petition omitting requests that the court rule on the validity and constitutionality of the government action.

The Journal can now appeal for the court to quash the government's declaration that the daily was "a publication engaging in the domestic politics of Singapore" and the resultant order restricting its circulation.

Justice T.S. Sinnathuray who heard arguments over 2 days for and against allowing the JOURNAL to mount such a legal challenge also ruled that the present restraint on the daily's circulation should continue.

"We have passed the first hurdle," said the JOURNAL's attorney, Queen's Counsel Louis Blaum-Cooper, visibly delighted at the outcome.

The Singapore Government's chief counsel and prosecutor, Attorney-General Tan Boon Teik, who argued the case against allowing the JOURNAL to contest the decision, said: "Let's say, we have both won."

The JOURNAL was punished for refusing to publish an official rejoinder to a 12 December article critical of Singapore's new secondary stock market.

TIME MAGAZINE was the first publication to have its circulation cut--its sales here were halved from 18,000 copies week from the 27 October issue and further reduced to 2,000 in January until the order was lifted in July.

The magazine refused to print a rejoinder from Prime Minister Lee Kuan Yew's Press secretary to an article on local politics and legislation in September. But it later printed the letter it received whereas the JOURNAL has not.

The two publications are owned by U.S.-based companies and both print copies here for regional distribution, although circulation outside of Singapore has not been affected by the government action.

The lengthy legal arguments to get court permission were necessary because the laws under which a publication is ordered to cut its circulation are not automatically open to challenge in a court of law.

The government's main objection centered on the "non-justiciability" of the provision in the press laws that Communications and Information Minister Yeo Ning Hong invoked to punish the Journal.

Attorney General Tan argued that parliament had given the minister the statutory power to use his political judgement in the matter and had not provided for his executive decision to be reviewed by the court.

The special provision was written into the Newspaper and Printing Presses Act in September as a way to financially penalise offending foreign publications without banning them by using other provisions of the act.

Mr Blaum-Cooper argued that the declaration that the JOURNAL was a publication engaging in domestic politics for refusing to print a government letter and the order cutting the daily's sales was "a misdirection of the law."

He claimed the minister acted irrationally, unfairly and in excess of his power in giving the JOURNAL neither prior notice nor a hearing about the action. The declaration and order should therefore be ruled invalid, he said.

The JOURNAL also contended that the circulation restriction violated the constitutional guarantee of a Singaporean's freedom of expression.

The submission on the validity and the constitutionality of the minister's actions are the points the court has ordered to be left out from the new petition the JOURNAL has been given permission to bring up.

Counsels for both sides said the revised application would urge the court to overrule the ministerial declaration about the daily and the restriction order.

Those proceedings could also hinge on the non-justiciability of the ministerial decision, they said, but added that in allowing the JOURNAL an appeal, the court had found it was an issue for debate.

The court has allowed the JOURNAL to file a fresh application and a new supporting affidavit for the next stage, which was an unusual step indicating the importance attributed to the case, legal sources said.

Mr Blaum-Cooper said he was expecting instructions from the JOURNAL's owners, Dow Jones Publishing Company (Asia) Ltd., about a fresh appeal under the conditions set by the court.

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CSO: 4200/812

MATICHON REPORT CRITICIZES REAGAN 'IRANGATE' SPEECH

BK141200 Bangkok MATICHON in Thai 14 Aug 87 p 14

[Report: "Reagan and Irangate, Confusion and Bitterness for the United States"]

[Excerpts] U.S. President Ronald Reagan finally made one of the most important speeches of the year on Wednesday night, Thursday morning in Thailand, when he for the first time talked about the notorious Irangate affair following the completion of the congressional investigation, which has been televised live throughout the United States.

Reagan made the speech with a voice and appearance different from what he has used in previous speeches. He called the affair, which is the most notorious one during his term of office, as a story of "lies, leaks, divisions, and mistakes."

Reagan did not answer questions by congressmen about whether the operation violated U.S. law, or whether there would be clemency for North and Poindexter. The two are reportedly being investigated for criminal wrongdoing.

Actually, President Reagan has shifted his stand many times regarding his involvement in the Irangate scandal. When the scandal about arms sale to Iran was leaked, Reagan denied it. But when the evidence was clear, he was forced to admit it.

Reagan first denied but later admitted that the sale of weapons was in exchange for the freedom of American hostages in Lebanon.

During the congressional hearings, nobody ever indicated that Reagan was aware of the transfer of the profits from the arms sale to Iran for the Contra rebels. Reagan himself remained tightlipped throughout on this question, even when he testified on 4 March on the matter.

We do not know whether the American people who listened to the speech by their president felt that their president was no different than a defendant who confesses only when confronted with evidence which leaves him no room to wiggle out.

THAILAND

MAGAZINE ON INCREASED U.S. MILITARY ACTIVITY

BK080921 Bangkok KHAO PHISET in Thai 29 Jul-4 Aug 87 pp 8, 9

["Special Report:" "Is the Eagle Returning to Its Nest?--From the Indochinese Federation to SEATO"]

[Text] The United States has never paid much attention to the Soviet proposal to turn Asia and the Pacific into a nuclear-free zone because it is common knowledge that its forces in the region are more than 10 times stronger than those of the USSR. Any call for it to reduce its strength in the region to the same level as that of the USSR is tantamount to falling from Gorbachev's psychological warfare and diplomatic public relations strategy.

It is common knowledge that the Soviet Union has greatly strengthened its forces in this region following the end of the Vietnam War and Vietnam's occupation of Cambodia, using the three major military bases at Cam Ranh, Kompong Som, and Ream to enhance its naval capability. It is felt that Soviet efforts to expand its military capabilities have forced the United States to do likewise.

We have been able to detect the following unusual U.S. activities:

1. A U.S. Brigade

A high-level source disclosed recently that the United States has tried hard to establish a special military unit in Thailand. The United States proposed this matter to the Thai military, security, and foreign affairs bodies. It has to approach the Thai military because of the need for coordination and local cooperation.

This special unit's major task is supposed to be counter-terrorism, particularly hijacking and hostage rescue, where the United States feels that the Thai forces' capabilities are not satisfactory.

If the unit is intended to be a normal counter-terrorist or counter-sabotage force, it would not be necessary for the United States to go to the trouble of seeking cooperation from the Thai military. It could simply add 40 or 50 names to its diplomatic list and use the facilities on Wireless Road as its base. But although the unit probably will not be of a "Delta Force" size, it could be brigade-size. Establishment of a unit of such size will require

buildings and other support, including a hospital, training facilities, and living quarters.

The U.S. reportedly proposed this matter to senior Thai officials some time ago but has received no reply due to it being a sensitive issue as far as Thailand's domestic politics is concerned and probably because Thailand does not see the necessity for such a unit. In short, it is felt that the unit would benefit the U.S. more than Thailand. However, nothing is certain because with the promulgation of various U.S. trade protectionist laws, establishment of the unit could be used as a negotiating point.

2. Activities in Khorat

A Thai journalist recently started a rumor aimed at a foreign diplomat to the effect that about 3,000 rai of land in Khorat had been purchased for some purpose by a U.S. agency. Although it is just a rumor, Nakhon Ratchasima Province has again become an important military area following the closure of U.S. military bases some time ago.

Unusual activities were observed at the former building of the U.S. 9th Combat Support Group behind the airfield of the 2d Army Region. The building reportedly may be developed into the joint Thai-U.S. War Reserve Stockpile [WRS], a project for which an agreement was recently signed by the Thai defense minister and Weinberger.

This building held U.S. weapons during the Vietnam war, and its renovation to stockpile weapons under the WRS project should not be too costly. Nakhon Ratchasima appears to be the favored site for the WRS, so much so that the joint Thai-U.S. "Cobra Gold 87" exercise was changed from its previous format of landing exercises to purely land based exercises. The scenario for the exercise is that it is a "show of force" aimed directly at the opposition in Indochina. But it is strange why this show of force has to be changed this year when in previous years the scenario for the exercises was that Thailand was invaded from the northeast through the 16 provinces in an L-shape invasion and the U.S. forces landed in Prachuap Khirikhan or Rayong Province to block the invading forces and contain them in the central region or the upper southern region. It appears that the purpose of this year's exercise is to fight the invaders at the border. With the use of the air force as an attacking unit, it is felt that if a show of force is not the only motive of the exercise, there must be other important reasons for the change in the U.S. tactics.

3. What happened in Burma?

What is mentioned above is probably related to the following: KHAO PHISET reported earlier that U.S. military reserve units were active on islands west of Rangoon. There were reports that they were installing radar to link a network of satellites. In 1986 U.S. officials reportedly set up a similar network in Udon Thani. However, officials of certain embassies in Bangkok feel that it is quite possible that the U.S. wants to set up another naval base in addition to those in the Philippines and Diego Garcia, and certain Burmese islands could serve the purpose.

Overall, there has been a noticeable increase in U.S. military activity in this region in the past year. In the view of a military expert, increased Soviet military strength in the Pacific has forced the U.S. to steadily boost its own forces. This will lead to an increased search for military cooperation. Simply speaking, the growing Soviet naval strength in Indochina could lead to a revival of SEATO. Although SEATO was disbanded, bilateral military cooperation between the U.S. and individual ASEAN countries still exists and the trend is for this cooperation to expand.

It appears that what the two superpowers have done militarily is against attempts to declare ASEAN a permanent peace zone.

/12913
CSO: 4200/817

OFFICIALS REFUSE LAO CONDITIONS FOR RETURN OF 5 CAPTIVES

BK140555 Bangkok BANGKOK POST in English 14 Aug 87 p 3

[Text] Loei--Officials refused Wednesday to accept the return of five Thais captured by Laotian troops more than two months ago because of the conditions imposed by Vientiane.

The five villagers were escorted by a Laotian delegation led by Mek Panlap, vice chairman of Muang Boten, to Ban Na Kha, Sayaboury province, where they met a Thai mission comprising of Na Haew district chief officer Somyot Tantayaphon, district chief inspector Police Lieutenant Colonel Pakon Wararuchi, Dan Sai district chief officer Phairat Sakonphan and district chief inspector Lieutenant Colonel Winal Kanchanawichit.

The Laotians said they would free the five on the condition the Thais sign a document admitting the villagers trespassed on Laotian territory for illegal logging, which constitutes a violation of territorial integrity and sovereignty.

The villagers had earlier pleaded guilty to the charges and were convicted by the Laotian people's court. They were to be deported.

Sources said the Thai delegation contended the Laotian demand was improper because the five were captured on Thai territory and taken into Laos.

The Laotians rejected a request that they change the wording of the document.

On 1 June, Laotian troops attacked a paramilitary outpost in Tambon Chat Trakan, Chat Trakan district, Phitsanulok, and seized seven Thais who were at work in the fields.

One villager was shot dead and another escaped. The five held in Laos were identified as Sinuan Singrat and his brothers, Pang, Suthin, Mathayom and Surin Chanthakhun.

Confronted with the Laotian demand, the Thai delegates radioed Governor Chiwin Suthisawan, who instructed them not to sign the document.

Mr Chiwin said the demand was unacceptable because the Thai villagers did not venture into Laos. "We want our people back unconditionally," he said.

The governor said he would report the case to the Interior Ministry for further action.

HUNDREDS OF HMONG INDOCTRINATED IN LAOS, SRV

BK170201 Bangkok THE NATION in English 17 Aug 87 p 2

[Excerpt] Hundreds of the Hmong hilltribe people, former sympathizers of the pro-China Communist Party of Thailand (CPT), have undergone indoctrination in Vietnam and Laos, an informed military source said yesterday.

The first group of about 70 mountain people left the northern province of Chiang Rai in August 1985 and returned to Thailand three months later, the source told THE NATION.

The Hmong were trained in Laos for one month before being sent to undergo indoctrination in Vietnam, he said.

The source could not tell how many groups of the hilltribe people have been indoctrinated in the Indochinese countries but said hundreds of them have returned to the northern region of Thailand.

Insurgents of Phak Mai, the pro-Vietnam Communist faction, have been persuading the CPT defectors, most of them Hmong in Chiang Rai, Phayao, Nan and Phitsanulok provinces, to join their group.

Some Hmong hilltribe people came under the CPT influence in the 1970s. However, most of them have defected to the government under the Prime Minister's Order 66/23 and 66/24 which allows communist rebels to return to normal life.

The source said the pro-Hanoi Communist insurgents have recruited the Hmong defectors, aged between 17 and 23, from several hilltribe villages near the Thai-Lao border and sent them to Laos and Vietnam.

Most of them have returned to their villages, including Rom Klae in Chat Trakarn District of Phitsanulok where the Thai troops clashed with the Laotian intruders twice during the past two months, he said.

The source, however, could not confirm whether the Hmong defectors of Rom Klae village have been in contact with the Phak Mai insurgents, based mainly along the Laotian-Thai border.

About 20-30 remnants of the pro-China CPT are hiding in the rugged mountain terrains of the northern province while some pro-Vietnam insurgents have been operating across the border from Laos, he said, adding that their activities are limited to political works.

The source said it was believed that a number of Thai Communist insurgents were among about 200 intruders from Laos who clashed with the Thai troops early this month.

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CSO: 4200/817

THAILAND

CALL FOR TALKS WITH LAOS ON BORDER

BK170139 Bangkok BANGKOK POST in English 17 Aug 87 p 1

[Text] Laos should hold talks with Thailand to review all border agreements and to demarcate a new border line that is fair to both countries to prevent border disputes in the future, National Security Council deputy chief Khachatphai Burutphat said yesterday.

His call was in response to military tension on the Thai-Laotian border in Chat Trakan District of Phitsanulok following a Laotian attack on a village which Vientiane claims is in Laotian territory.

Mr Khachatphai said the two countries now use a number of maps to define the border and this results in disputes.

Meanwhile the Second and Third Armies are stepping-up security at the border in Chat Trakan District following reports of Laotian troop reinforcements.

Reliable military sources said the matter was discussed at a meeting of army commanders last Friday chaired by Army Chief General Chawalit Yongchaiyuth.

Ground troops and artillery pieces have been sent to the spot to protect villagers from Laotian troops who have frequently crossed into Thailand.

The sources said Laos had previously shown little interest in the border crossing but sent in troops after a Thai logging company began operating in the area.

It is possible Laos decided on tough military policy there to prevent the logging operators from crossing the border and felling trees inside Laos.

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CSO: 4200/817

PAPER SAYS ASEAN NOT WHAT FOUNDERS ENVISIONED

BK140455 Bangkok BANGKOK POST in English 14 Aug 87 p 4

[Editorial: "Getting ASEAN on the right track"]

[Text] The Association of Southeast Asian Nations (ASEAN) quietly celebrated its 20th anniversary last weekend, with each member renewing its pledge to bring a "new dynamism" to the group which will propel it into the 21st century. The regional body consisting of Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand is considered to be a showcase of Southeast Asia cooperation. Over the years ASEAN has won worldwide acclaim for its collective effects in the preservation of peace and stability in this region.

So far, so good, but if we look beneath the gloss we see that ASEAN cooperation did not really begin until nine years after its birth and what placed it on its present course was not an initiative of its own making. It was the communication of Indochina in 1975 which got it going. The First Summit of Heads of Government in Bali in 1976 testified to that. The ASEAN countries decided to go ahead with the Summit even though Thailand then had a caretaker government. The decisions taken at that Summit remain the inspiration for the many activities which followed. Some of these have been successfully carried out, but a great deal have wilted and died a natural death such as the joint industrial projects for the then five member countries.

ASEAN has never got off the ground economically as envisioned by its founders. The events in the ensuing years, particularly the Kampuchean problem, have not been that conducive to shifting ASEAN's focus away from political and security matters. Although ASEAN's success in this regard has been spectacular, it is bound to be transitory at best. The leaders of the ASEAN countries should not lose sight of the fact that there is no plateau in international affairs. They must understand that present achievements must be turned into a stepping stone or they will witness the beginning of a decline.

Already the Kampuchean problem is slipping in its significance in the world's attention due to factors outside ASEAN's control. But must ASEAN wait until something else prods it into the other direction? This is not to say that new priorities have not displaced the old, but they do not seem to bear the clout which generates sustained, joint efforts over the long term.

Indonesia's Foreign Minister Dr Mokhtar Kusumaatmaja was probably right when said he believed that ASEAN could never really emulate the example of the European Community, which is a real common market. It does not have to. But Dr Mokhtar added the clincher that "we should not try to progress faster than the system allows." Now that is wrong, because the reality is that ASEAN has not really tried, up to now, to devise its own model that would address its own particular needs. Twenty years is a long time and nothing has moved very far beyond the "thinking stage." ASEAN as it exists today fits neither the concept of a free trade area nor a customs union, let alone a common market.

The job of trying to turn everything around this year and next will obviously fall on the shoulders of Foreign Minister Sitthi Sawetsila, as it will be Thailand's turn not only to explain what a "new dynamism" is all about but to make it happen. This is the year that Thailand takes up the chairmanship of the Standing Committee of ASEAN. Its tasks will have to go beyond the preparations for the Summit in December and the Annual Ministerial Meeting next year, which has become something of a ritual.

Thailand is now entrusted with the responsibility of creating something uniquely ASEAN; something which will break new ground and not just follow the same old patterns. That, to say the least, represents a real challenge and one we believe we have the capability to meet.

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CSO: 4200/817

EDITORIAL ASSESSES RESULTS OF LATEST ASEAN MEETING

BK171049 Bangkok SIAM RAT in Thai 17 Aug 87 p 8

[Editorial: "The 'Cocktail Party' Hope"]

[Text] ASEAN foreign ministers met in Bangkok on Sunday [16 August]. The main purpose of their meeting was the new ASEAN initiative to bring all parties involved to the Cambodian problem, which has remained unresolved, to an informal meeting called a cocktail party.

The ASEAN foreign ministers meeting apparently has merely designated a place in Jakarta as the site for the 'cocktail party,' but has not adopted any new steps to be followed from the 'cocktail party.' The United Nations will be informed of the ASEAN initiative, which is regarded as an attempt toward peaceful settlement of the Cambodian problem. The United Nations has a standing desire for peaceful settlement of the Cambodian problem and peaceful settlement is a necessity as far as the CGDK, which is supported by ASEAN and recognized by the United Nations, is concerned.

The 'cocktail party' could be a bright spot in the many ineffective attempts to solve the Cambodian problem as far as ASEAN is concerned. Indonesian Foreign Minister Mokhtar Kusumaatmadja has been assigned to sound out Vietnam, which is the power factor in any solution to the Cambodian problem. His visit to Hanoi followed his trip to Moscow, and it is certain that Moscow must have given a blessing to the 'cocktail party' formula as a way to break the deadlock in Cambodia.

The Cambodian problem is not limited to a regional problem between Indochina and ASEAN, but reaches China and the USSR because China sees it as one of the three major conditions for normalizing ties with Moscow. It is hoped that Thai Foreign Minister Air Chief Marshal Sitthi Sawetsila will receive some positive signals for the 'cocktail party' from China during his coming visit to Beijing. Sitthi will also visit the DPRK, where Prince Sihanouk is residing during his leave of absence as president of the CGDK.

Good coordination is one thing that can be seen from the latest initiative for settlement of the Cambodian problem, but peace in Cambodia still appears remote for various reasons. For one thing, it is not easy to bring many sides together to a meeting, even an informal one, because each side has different incentives and motivation.

We will need at least three more years before the Cambodian problem can be settled--Vietnam has announced that it will pull all of its troops out of Cambodia in 1990. But the next three years will be an important period for projecting a unified image that will be conducive to a peaceful and just solution to the Cambodian problem.

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BANGKOK POST LOOKS AT 16 AUGUST ASEAN MEETING

BK170729 Bangkok BANGKOK POST in English 17 Aug 87 p 6

[Editorial: "Last Chance for Kampuchea"]

[Text] Yesterday's special meeting of the ASEAN Foreign Ministers in Bangkok once again demonstrated the importance they attach to the Kampuchean problem. The meeting took place on the eve of Thai Foreign Minister [Air Chief Marshal] Sitthi Sawetsila's visit to Peking and Pyongyang.

Apart from discussions with Chinese and North Korean leaders on a wide range of issues affecting bilateral relations and regional peace and stability, the Thai Foreign Minister will also meet Prince Norodom Sihanouk: The Prince is now on a one year leave of absence from the presidency of the Coalition Government of Democratic Kampuchea (CGDK).

Yesterday's meeting was to find a common ASEAN position towards China and to the "cocktail party" proposal that aims to bring an informal get-together of the conflicting Khmer factions as a first step towards a solution to the Kampuchean problem.

Despite the official pronouncements couched in friendly diplomatic jargon, all cannot be considered entirely well. Whether the meeting succeeded in producing the desired results is open to doubt because no one would say very much.

In the first place, the meeting, which was called somewhat abruptly, would not have been necessary if all the ASEAN countries were singing the same tune. Thailand is known to have maintained an ambivalent attitude towards the proposal. This is only natural, given the fact that Thailand has the most to lose because this country is closest to the heart of the problem.

Already there is speculation that not all ASEAN countries see eye-to-eye on the issue and so there is a need to dispel any misunderstanding that could offer an opportunity for exploitation. It is only fair that Thailand's interests be fully taken into account; every effort should be made to avoid friction, however slight.

Neither ASEAN as a whole nor Thailand individually can be faulted for the stalemate in Kampuchea; it is not of their making. Over the past eight years it has indeed been remarkable that ASEAN has been able to pull rabbits out of its magical hat. First it was the UN resolution on Kampuchea. Then the International Conference on Kampuchea, followed by the fight to keep the seat of Democratic Kampuchea at the United Nations which lead to the birth of the CGDK with Prince Sihanouk as its President. Then there was the proposal for "proximity talks" and the "eight-point" plan.

All have fallen on deaf ears and Vietnam remains as intransigent as ever. Efforts to seek the help of the major powers, both directly and indirectly, have also proved in vain. But ASEAN is not a quitter and so one more proposal can do no harm if that is what all the member countries have agreed upon.

But that proposal, come what may, should be the last. ASEAN has other more important business to attend to. If the current proposal for a solution in Kampuchea does not work out ASEAN should not feel guilty about not making an effort to solve the problem. The tricks will eventually run out--and that will mark the beginning of someone else's job, particularly the Vietnamese and the Kampucheans who will have to take up the initiative themselves.

In the meantime, it would be ridiculous for ASEAN to be stalemated over this issue.

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THAILAND

SITTHI TALKS ON PURPOSE OF PRC, DPRK TRIP

BK181504 Bangkok Domestic Service in Thai 1300 GMT 18 Aug 87

[Text] The Foreign Ministry has tried to strengthen trade relations with the PRC and DPRK to increase and promote trade, investment, and tourism as well as to jointly establish stability in Southeast Asia. This was disclosed by Foreign Minister Air Chief Marshal Sitthi Sawetsila to the Public Relations Department's correspondent at the Bangkok Airport before his departure for Pyongyang and Beijing this morning. Sitthi said:

[Begin Sitthi recording] The visit to China will help strengthen relations with China. We will discuss various issues, including follow-up talks on some trade issues discussed during previous visits, such as the exchange of cement for Chinese lignite and the purchase of cotton from China. I hope that agreement on the prices of some Thai agricultural products for China can be reached during this visit. There will also be talks on joint investment and the promotion of tourism. I will also touch on the outcome of the last ASEAN meeting in order to sound out the Chinese. The Chinese view is very important because China has always supported the Thai and ASEAN stand.

My visit to North Korea will be the first by a Thai foreign minister. The North Korean Government and I attach importance to the visit. Both the government and private sectors are invited to take part in the visit. We will discuss trade and bilateral relations as well as exchange views on the situation in Northeast Asia to learn the DPRK's views. [end recording]

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CSO: 4200/817

THAI PRESS REPORTS WU XUEQIAN DINNER FOR SITTHI

BK190055 Bangkok BANGKOK POST in English 19 Aug 87 p 3

[Text] Foreign Minister Sitthi Sawetsila told his Chinese counterpart in Beijing last night of ASEAN's desire to have Hanoi participate in the "cocktail party" talks.

Speaking at a dinner reception in Beijing hosted by Chinese Foreign Minister Wu Xueqian, ACM [Air Chief Marshal] Sitthi said ASEAN foreign ministers insisted the information talks be held among all the Kampuchean factions to be followed immediately by the participation of Vietnam.

"That means one meeting," he said, pointing out that the eight-point proposal of the Coalition Government of Democratic Kampuchea would be the basis of the "cocktail party" talks.

ASEAN foreign ministers, he said, were awaiting a reply from Vietnam.

ACM Sitthi told Mr Wu that his visit, the 12th to China, would provide another opportunity for talks on issues of mutual interest.

The minister is scheduled to spend three days in Beijing, where he will meet Premier Zhao Ziyang and top leader Deng Xiaoping before flying to Pyongyang to see Prince Norodom Sihanouk.

In his address, Mr Wu said China is ready to cooperate with Thailand and other ASEAN countries and the world community to solve the Kampuchean problem.

The Chinese Foreign Minister praised ASEAN for having tried to find just and reasonable ways of solving the problem, and while Vietnam appeared to be showing some flexibility, sincerity was lacking.

Mr Wu called on the world community to continue to put pressure on Vietnam in order to create conditions for solving the problem through political means.

Emphasizing China's support for all United Nations resolutions on the Kampuchean problem, and the eight-point proposal, Mr Wu called for a withdrawal of Vietnamese troops and for the Kampuchean people to be free from outside interference to solve their own problems.

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CSO: 4200/817

DEFENSE MINISTER BACKS POLICY ON SUPREME COMMAND

BK140509 Bangkok THE NATION in English 14 Aug 87 p 1

[Text] Defence Minister ACM Phaniang Kantarat reiterated yesterday that the policy of not filling some vacancies in the Supreme Command is sound in spite of the strong objection of the supreme commander.

He told THE NATION yesterday he foresaw no problem with this policy because only a few senior military officers would be affected.

By not filling the vacancies in the Supreme Command, some senior officers would be denied higher positions and this seemed to be the only problem, he noted.

Panieng explained the policy to the supreme commander and commanders of the three military branches in a meeting on 20 July. "I've clearly explained the policy. Therefore, I don't think I'll have to call another meeting to explain the same thing," he said.

By not filling vacancies in the Supreme Command, at least 27 senior officers holding the rank of general or its equivalent in the three military branches will not get a chance to advance to higher positions next year.

When asked to comment on this consequence of the policy, Panieng said, "I'll not talk about it any more."

However, he emphasized that only a handful number of senior officers were unhappy with the policy.

Vacancies that will not be filled include the three posts of deputy supreme commander. However, it is still unclear whether anyone will be appointed to succeed Supreme Commander Admiral Supha Khotchaiseni who is due to retire at the end of September.

Adm Supha said on Tuesday that he objected to the policy of not filling vacancies in the Supreme Command because it deprived deserving senior officers opportunities for promotion.

Adm Supha said although other vacancies could be left unfilled, the post of supreme commander cannot; someone with the right qualifications (the most

senior military officer accepted by the majority of military officers, etc.) should be appointed to succeed him.

Adm Supha will lead top military and police officers to call on the premier at his residence on the morning of 25 August to wish him a happy birthday, an informed military source reported yesterday.

A circular has been issued, telling top military and police officers to gather at the Army Convention Hall at 7:45 am on 25 August to call on the premier together at 8 am.

Army Commander-in-Chief General Chavalit Yongchaiyut may be unable to attend the event because he will be on a trip to the U.S. during 18-25 August, the source said.

Meanwhile, a military aide of the premier clarified yesterday that the premier was only upset about the delay of the parade in the celebration of Her Majesty the Queen's birthday at Sanam Luang on Wednesday. The premier had to wait for about an hour before he could begin the ceremony, the aide said.

The aide denied reports in some Thai-language newspapers that the premier was "furious" with the objection of Adm Supha to the policy of not filling vacancies in the Supreme Command.

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ARMY COMMANDER CHAWALIT SUPPORTS COMMAND POLICY

BK150001 Bangkok THE NATION in English 15 Aug 87 pp 1, 2

[Text] Army Commander-in-Chief General Chawalit Yongchaiyut yesterday publicly endorsed for the first time the government policy of not filling vacancies in the Supreme Command, saying that the move corresponds with his campaign to streamline the army.

Gen Chawalit publicly voiced his support for the policy, which was reportedly initiated by the premier and strongly advocated by Defence Minister ACM [Air Chief Marshal] Phanisang Kantarat. Supreme Commander Admiral Supha Khotchaseni and Navy Commander-in-Chief Admiral Thada Ditthabanchong have strongly criticized the policy, saying it deprives many deserving senior officers of opportunities for promotion.

Gen Chawalit, however, emphasized that he has "no problem" in accepting the policy. "I never had any problem with this policy," he told reporters who asked for his comments at the Army Convention Hall.

He noted that as a result of the policy, some senior army officers might not be able to advance to a higher post. They should understand that their superiors have been doing whatever they could to help them get a promotion.

The army chief added that the premier and the defence minister also understood the implication of the policy and had carefully thought it over before deciding to implement it.

"I still believe everything will be all right," Gen Chawalit said.

Commenting on the supreme commander's objection to the policy, Gen Chawalit said he understood the supreme commander was trying to defend his men, helping his men get a chance to advance their career.

"He (Adm Supha) was talking as a military leader. We have to understand him in that context," Gen Chawalit added.

Asked whether he will be appointed acting-supreme commander after Adm Supha retires at the end of September, Gen Chawalit laughed and said "you (reporters) always know everything."

On his plan to streamline the army, Gen Chawalit said the army is being trimmed down and in two years, more volunteers will replace conscripts.

Gen Chawalit wants to reduce the number of army personnel, dissolve unnecessary army agencies and reduce the size of administrative staff in order to save on payroll and spend more on acquiring modern equipment and weapons in order to increase mobility and firepower of army combat units.

Meanwhile, the premier yesterday consulted with Phaniang over the phone on the controversial policy.

Panieng said afterwards he and the premier agreed that deliberately leaving vacancies in the Supreme Command unfilled would not constitute a violation of any law.

"We have carefully studied this question and came to the conclusion that it can be done," he said.

Asked whether he is concerned about the objection from the supreme commander, Phaniang said he was not. "I'm not afraid. If I was, I won't have done what I did; I would rather stay home. If I want to be defence minister, I have to do what I believe is right. If I'm not defence minister, I would have gone home and gone to sleep," he told reporters.

He also contended that most of the stories in the Press "missed the point." But when reporters asked him to straighten things up, Panieng said, "I would only say now that you (reporters) have been speculating on what will happen," he added.

He said he would "explain everything" once His Majesty the King has promulgated the list of military promotions and transfers.

It is widely believed that the three existing posts of deputy supreme commander will not be filled. However, it is uncertain whether a new supreme commander will be appointed to succeed Adm Supha. The possibility of appointing only an acting supreme commander has not been ruled out.

Appointing only an acting supreme commander is not against the law; leaving the post of supreme commander unfilled is, according to Adm Supha.

Adm Supha has a plan to lead top military officers who objected to the policy to call on the premier and the defence minister in order to air their grievances.

Phaniang said he would welcome Adm Supha to discuss the policy.

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CSN: 4200/817

CHAWALIT CLARIFIES STAND ON SUPREME COMMAND POSTS

BK160258 Bangkok THE NATION in English 16 Aug 87 p 2

[Text] Army Commander-in-Chief General Chawalit Yongchaiyut clarified yesterday that although he supported the government policy of not filling vacancies in the Supreme Command, he believed it would still be necessary to appoint a new supreme commander when Admiral Supha Khotchaseni retires from the post at the end of next month.

Gen Chawalit made the clarification during a question-and-answer session at the Infantry Centre in Pran Buri, Prachuab Khiri Khan, where he met a group of about 270 lecturers from 17 universities and other higher institutions.

Gen Chawalit also said it is not yet legally possible to reorganize the Supreme Command by abolishing the posts of supreme commander and deputy supreme commander, and introducing a system of joint chiefs-of-staff like the one in the United States.

Neither is it possible to dissolve the Supreme Command altogether because the Supreme Command and its commander have to perform many duties under the law, including keeping peace in the country and organizing the Capital Security Command which is in charge of maintaining security in Bangkok, Gen Chawalit added.

He noted that under the law, the armed forces chief-of-staff can act on behalf of the supreme commander only when he has been authorized to do so by the supreme commander. Without the supreme commander, the armed forces chief-of-staff has no authority to order the armed forces to do anything.

"It would be wrong for anyone to try to dissolve the post of supreme commander," Gen Chawalit emphasized.

On Friday, Gen Chawalit said he agreed with the government policy reportedly initiated by the premier and strongly advocated by the defence minister, to leave many vacancies in the supreme commander unfilled next year because it corresponded with his current campaign to streamline the army.

Other posts in the Supreme Command may be left unfilled, but there must be a replacement for Adm Supha who is due to retire at the end of next month, Gen Chawalit said.

Adm Supha has openly voiced his objection to the policy, saying that it would prevent senior military officers from advancing to higher posts.

It is now widely believed that the three posts of deputy supreme commander will not be filled. But an acting-supreme commander will be appointed to succeed Adml Supha perhaps, Gen Chawalit will be the one holding the post because he is the most senior of all commanders of the three military branches.

Meanwhile, former supreme commander Gen Salyut Konthphon said yesterday some posts in the Supreme Command are unnecessary and should be abolished. It is also possible to replace the post of supreme commander with its equivalent (like a chairman of the joint chiefs-of-staff).

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CSO: 4200/817

'DEMOCRATIC SOLDIERS' MOVEMENT REVIVED

BK170100 Bangkok BANGKOK POST in English 17 Aug 87 p 2

[Text] The so-called "democratic soldiers" whose activities were suspended nearly six years ago have agreed to revive their movement to help promote democracy.

A leading member said the group sought the abolition of the Anti-Communist Act and undemocratic laws to allow greater political freedom to prevent a resurgence of Communism.

The source said the group which claims the membership of 40 senior Army officers had decided to revive itself because of the present vulnerable political and social situation which might benefit the Communists in the long run. He said although the Government has successfully stopped the Communists' armed struggle with its 66/23 anti-communist policy, it had not been able to kill off communist ideology or the Communist Party of Thailand.

Communist thinking continued and some CPT members were still active at a certain level.

Unless the national democratic system is fully developed and unfavourable social conditions are removed these problems will create conditions that might allow Communism to flourish, he said.

To kill off communist ideology, the Government must go on the offensive and take further initiatives against the outlawed movement.

The source claimed the democratic soldiers had talked with senior commanding officers about their plan to revive the movement and that Army Commander-in-Chief General Chawalit Yongchayuth had been informed.

They will work with other groups sharing the same political goals, including political parties, in an attempt to bring about greater political freedom.

The source said the group was concerned with the Anti-Communist Act and certain section in the Constitution.

He added that they agreed with Gen Chawalit that political stability should be placed before economic stability.

THAILAND

ACTION TAKEN FOR FALSE REPORT ABOUT PRINCE

BK190902 Bangkok THAI RAT in Thai 19 Aug 87 p 19

[Text] Chief of Chana Songkhram Police Station, Police Lieutenant Colonel Wisut Iamcharoen yesterday assigned Police Lieutenant Colonel Phaibun Ariyawat, in charge of investigation, to interrogate and arrest the owner and publisher of PHU CHATKAN [Manager] paper for publishing a false report about the crown prince's plan to further his studies in law and political science at a master's degree level in the United States.

The Crown Prince's Affairs Office in the Royal Guards' Regiment earlier sent a letter to Police Director General Police General Narong Mahanon advising him that action be taken concerning the report. The Office of the Crown Prince categorically denied the report saying the Crown Prince has never thought of studying for a degree in the United States. As a result, a committee has been appointed by the police director general to handle the matter. On 20 July the Bangkok press officers ruled that the publisher of the magazine committed an offense against Order 42 of the National Administrative Reform Council, dated 21 October 1976, for publishing a false report.

Police Lieutenant Colonel Phaibun Ariyawat registered the case in the daily record of Chana Songkhram Police Station after receiving the instruction from the Police Director General. Legal action will be taken against the magazine publisher.

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CSO: 4200/817

DEPUTY EDUCATION MINISTER'S HOUSE BOMBED

BK180815 Bangkok BANGKOK WORLD in English 18 Aug 87 pp 1, 24

[Text] A bomb was thrown into the house in Nakhon Si Thammarat of Deputy Education Minister Samphan Thongsamak last night in the wake of a controversy involving two of his nieces and a provincial judge.

Mr Samphan (Democrat-Nakhon Si Thammarat) was not in his house on Karon Road at the time of the attack but those who were--including his wife, four children and a maid--escaped unharmed.

The bathroom, located at the rear end of the house, was damaged in the explosion that took place about 11 p.m.

In an interview this morning, Mr Samphan said an M-26 grenade was used in the attack intended to intimidate him and his family and to force their move to Bangkok. But he told reporters in Bangkok that he would "never move anywhere." He said he had reported the incident to Interior Minister Prachuap Suntharangkun.

Mr Samphan said he had received several threats against his life and because of them was always accompanied by a police escort. Without pinpointing suspected culprits, he said people in local newspapers and influential men were against him.

The deputy minister has been the target of what he called a leaflet campaign following a row over a traffic dispute between his nieces and a provincial judge in Lang Suan District.

Mr Samphan was being seen off at Hat Yai Airport when the attack occurred, his wife Mr Chantra told the World in a long-distance telephone interview. He was accompanied to the airport for his return journey to Bangkok by two police guards normally on duty at his Karon Road residence, she added.

Mrs Chantra told the World that she was sleeping in her second-floor bedroom with her children, aged between 9-12, when a thunderous explosion was heard at around 11 p.m. She said she immediately grabbed hold of her children before leaving the room to examine damages. She said she found the bathroom damaged and two glass windows shattered.

She said she believed the attack was intended to kill and did not understand why anyone would want to take the lives of women and children. She said the police guards returned to the house only after the bombing had taken place.

Commander of Zone 11 Provincial Police Pol Maj-Gen Kanit Amphonphak said the motive of the attack was still unknown as officers continued investigations.

Meanwhile, a newspaper editor in Nakhon Si Thammarat yesterday filed a complaint with police charging Mr Sampha with running a gambling operation during a public festival in the province on 2 and 26 July.

Police said Mr Sukrom Klangthin, editor of Maha Chon, accused Mr Samphan of committing an offence under gambling laws.

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CSO: 4200/817

PAPER REPORTS ON 'DISASTROUS EFFECT' OF DROUGHT

BK160300 Bangkok BANGKOK POST in English 16 Aug 87 p 3

[Text] The nationwide drought is having a disastrous effect on the country and this is particularly so for the "rice bowl" provinces in the central plains which produce over half the country's paddy.

For Suphan Buri, Ayutthaya, Ang Thong, Sing Buri, Nakhon Sawan, Chainat, Lop Buri and Nonthaburi, rain has been a much missed visitor since last May.

The land is parched, crops are dying and water levels in reservoirs are low.

Not only rice but other crops such as tapioca, sugar cane and corn are also affected. Tens of thousands of shrimp farmers are threatened with great losses. And if no rain falls by the end of next month, the water level in the Phumiphon and Sirikit dams will be so low that there could be an electricity generating crisis.

A meeting of the National Water Resource Committee chaired by Deputy Prime Minister Sonthi Bunyachai last Tuesday was told that the Weather Bureau has reported that if there are no depressions between August and September, there will be little rain.

The report continued, "however from statistics it is hoped that there will be depressions in the period which will be able to help solve the drought problem of 1987."

According to the Agricultural Economics Office, because of the drought the current 1987-88 fiscal year's paddy harvest is expected to be 14.6 million tons, or some 14 percent less than last year's 17 million tons.

This, it said, will be enough for domestic consumption but will leave little for export.

Agriculture Minister General Han Linanon last Tuesday said 16 million rai of farm land was affected. Of this nine million rai was seriously damaged.

Gen Han said the initial 60 million baht emergency budget helped only about 2.2 million rai. The ministry has requested an additional 133 million baht which was approved by the Cabinet last Tuesday.

All this means losses for farmers. Mongkut Chaoruaha, 48, of Sai Noi District, Nonthaburi, said he would not make any profit from his 14 rai of main crop paddy. He is growing a hybrid variety which has required high investment in fertilizers, labour and fuel for water pumps.

"This year I have had to put urea fertilizer on the farm three times. Harvesting costs 120 baht per person, and I have to pay for water pumps while a third of the crop was destroyed because I couldn't pump in water in time," Mongkut said.

"Number 72 which I grow sells for about 1,700 to 1,800 baht a ton and with all the other costs I am not going to make any profit this year," he said.

Suphan Buri Governor Ari Wongariya said about three million rai of farmland in his province has been damaged by the drought, though the province is still better off than some as about half its farmland is irrigated.

However, the main crop this year will only be about 400,000-500,000 tons compared to 700,000 tons last year, with a second crop of 200,000 tons compared to 400,000 tons last year.

The drought is also having an adverse effect on the province's 10,000 shrimp farmers.

If it does not rain in the next month there will be a problem of water rationing between shrimp and rice farmers.

To head off this problem the governor plans to hold a meeting of shrimp farmers to discuss the problem of water sharing.

Farmers will be advised to switch to fermented fertilizer instead of chemicals or to mix the two together to reduce costs.

Ironically, the drought has succeeded in doing what the Government has long been trying to do--raise the price of paddy. Because production and supply is down, prices are rising, but this does not necessarily mean any economic improvement for drought-hit farmers.

"The prices are good, 3,050 to 3,100 baht a ton," Mrs Sali Champa-Ngoen, a 43 year old farmer in Wiset Chai Chan District of Ang Thong Province said. "But my rice does not command a high enough price to cover production costs. There are fertilizers, insecticides, labour costs and diesel for the water pumps. All the money goes on these things. This is not including the cost of my own labour."

She said that because of the drought there will be a second "main crop" this year after the secondary crop is harvested.

She and her neighbours are hiring mechanical diggers at a cost of 550 baht an hour to dig an irrigation canal.

"That's what it's like being a farmer. We just go round in circles in the fields. Some years when it's good we can smile. And some years when it's bad like this year we just don't know what to do. Maybe we will have to buy rice from other people to eat. I don't know," she said.

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CSO: 4200/817

BRIEFS

POLICEMAN KILLED IN NAN--Nan--A policeman and a village defence volunteer were killed yesterday morning in the first armed attack by communist insurgents in this northern province in the past four years, a military report said today. The incident occurred as a pick-up truck carrying 14 military men and civilians was travelling on a jungle road near Phukha mountain in Pua District. The report said Police Master Sergeant Sanit Hanyut and Manat Maitrisomsakun were shot dead when a group of about five insurgents armed with AK47 assault rifles opened fire on the truck on Ban Namyao-Pua Road. The ambush took place at 8:30 a.m. while the 14 people were returning home after staging a musical show for villagers in Ban Nam Mao in Pua District. Survivors said the insurgents opened fire for five minutes before escaping. A spokesman of the Third Army Region's Security Unit 32, Major Uthai Manlap, said this morning that the ambush was the first armed attack by communist insurgents in Nan since 1983. It is estimated that there are 200 armed insurgents, mostly Lua tribesmen, still active in Nan, with about 300 sympathisers. [Text] [Bangkok BANGKOK WORLD in English 14 Aug 87 p 1 BK] /12913

LITTLE HOPE FOR REAGAN IMAGE--American President Ronald Reagan, in one of his shortest addresses which lasted only 16 minutes, tried to put the Iran-contra scandal behind him and to re-establish himself as an effective head of the administration during the 17 months he still will occupy the White House. The placating note of his speech is not likely to inspire much confidence in him and it is unlikely that he will regain the popularity on which he was riding high before November last year. Apart from arms control which depends as much on Moscow as on Washington, we sincerely doubt that he will achieve any of the other three objectives. Reagan's was not a fighting speech as one is accustomed to but it was negative in its approach since it was an attempt to put the Iran-contra scandal behind him. If this speech is any indication, Reagan will only continue as a lame-duck president, hemmed in on all sides by the Democratic Congress, barring some spectacular achievement in nuclear arms control arrived at a summit meeting with Gorbachev. Even this is extremely unlikely because the Soviet Union will know that Reagan does not have the backing of the Congress and will try to wrest the maximum advantage. [Editorial: "Reagan's Speech Will Not Help Him Regain Control"] [Excerpts] [Bangkok THE NATION in English 14 Aug 87 p 4 BK] /12913

SUSPECTS TO BE TRIED--Eight suspected senior executive of the outlawed Communist Party of Thailand, CPT, arrested last April will be put on trial next month while 10 suspected CPT operatives arrested in the same series of raids may be released, according to Police Major General Kasem Saengmit, commander of the Special Branch Division. The interrogators have received good cooperation from the suspects and will soon be able to wrap up all paperwork. Four of the eight suspects to be tried are believed to be Politburo members of the CPT. The four others are believed to be CPT Central Committee members. Pol Maj Gen Kasem said these senior CPT members did not surrender voluntarily--therefore they will be put on trial. Nevertheless, Maj Gen Kasem said the Special Branch will recommend the release of the 10 other suspects who were junior CPT operatives because they have also cooperated with interrogators in giving valuable information on the CPT. Under Article 17 (7) of the Anti-Communist Act, the authorities are empowered to make recommendation for release of communist suspects who no longer pose any security threat to the country. The recommendation needs the approval of the premier in his capacity as general director of the Internal Security Operation Command. [Text] [Bangkok Domestic Service in English 0000 GMT 10 Aug 87 BK] /12913

REFUGEES FACE REPATRIATION--Thailand will repatriate 2,300 Laotians who are not genuine refugees from border camps this year, National Security Council Deputy Secretary General Khachatpai Burutphat said yesterday. The "economic refugees," who have been screened at border camps since 1985, have been acknowledged as such by the United Nations High Commissioner for Refugees. The international agency has agreed to the repatriation scheme. The Laotian Government has denied any knowledge of the Laotians and refuses to take them back, Mr Khachatpai said. He said the Laotians were illegal immigrants and Thailand will deal with them strictly by sending them all back to Laos before the end of the year. [Text] [Bangkok BANGKOK POST in English 17 Aug 87 p 2 BK] /12913

SUPREME COMMAND POLICY--The House Military Committee has called on the Defence Ministry to carefully review the proposed dissolution of the Supreme Command as it would reduce promotion opportunities in the armed forces. The committee's spokesman Major Thoetrit Bunyarit (Chat Thai-Nakhon Ratchasima) made the disclosure after a discussion on the issue yesterday. The spokesman pointed out that the Supreme Command was set up a long time ago and its dissolution would cut down promotion opportunities because the number of full generals would be further limited. However, the Defense Ministry has not yet proposed any bill to dissolve the Supreme Command, he said. Such a move should done by parliamentary legislation or by Royal Decree, he added. Maj Thoetrit said he personally would like the position of Supreme Commander to be kept as the commanders-in-chief of the armed forces should have one overall boss. [Text] [Bangkok BANGKOK WORLD in English 14 Aug 87 p 24 BK] /12913

MILITARY EXERCISE WITH AUSTRALIA--A joint Thai-Australian infantry exercise, codenamed "(Tempo Jet 87)," started in (Shoal Water) in Queensland of Australia on Friday, said Army spokesman Major General Narudon Detpradist. A company of about 100 soldiers from Division 17 of the 3d Army Region are participating in the exercise which will last until 19 September. The main purpose of the exercise is to familiarize Thai soldiers with different types

of terrain and climate. The Thai soldiers will, for example, learn to battle on snow-clad mountains. The Australian side will field a company of the 8/9 Infantry Battalion at this exercise, which is the third of its kind. The exercise is held once every two years. The army spokesman said Army Commander in Chief Cen Chawalit Yongchaiyut will visit Australia during 2-5 September when he will observe the joint exercise in Queensland. [Text] [Bangkok Voice of Free Asia in English 1500 GMT 17 Aug 87 BK] /12913

CSO: 4200/817

SRV GREETS INDIA ON INDEPENDENCE DAY

OW141749 Hanoi VNA in English 1542 GMT 14 Aug 87

[Text] Hanoi VNA 14 August--Vietnamese party and state leaders today extended warmest greetings to Indian leaders of India's 40th Independence Day (15 August).

The joint congratulatory message was addressed by Nguyen Van Linh, general secretary of the Communist Party of Vietnam Central Committee; Vo Chi Cong, president of the State Council; and Pham Hung, chairman of the Council of Ministers to President R. Venkataraman and Prime Minister Rajiv Gandhi.

It says: "The great event which took place in India 40 years ago has ushered in a new period for the Indian history and heartened the oppressed peoples across the world." Under the leadership of Jawaharlal Nehru, Indira Gandhi and today Prime Minister Rajiv Gandhi, the message goes on, the fraternal people of India with their industrious and creative labour have made great achievements in national development and the defence of national independence, unity, territorial integrity, especially in their struggle against all wicked schemes of imperialism and other reactionary forces inside and outside the country.

After highlighting India's important role in the common struggle for peace, national independence and social progress, the message says: "with its great contributions to the non-aligned movement and the struggle for a peaceful world free from nuclear weapons and the use of force by international relations, India has constantly enhanced its role and prestige in the international arena."

The message expressed the joy over the further promotion of the friendship and comprehensive cooperation between Vietnam and India in the interests of the two peoples and of peace, stability and prosperity in Asia and the world over.

"The Vietnamese government and people sincerely thank the government and people of India for their whole-hearted assistance to Vietnam in its national construction and defence," the message says.

It wishes the Indian people still greater success in their efforts to make India a prosperous and happy country and the friendship and cooperation between the two countries further consolidation and development.

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CSO: 4200/817a

SHAN DAN EDITORIAL HAILS INDIAN INDEPENDENCE

SK141531 Hanoi Domestic Service in Vietnamese 2300 GMT 14 Aug 87

[15 August SHAN DAN editorial: "Four Glorious Decades of the Great Indian People"]

[Text] Exactly 40 years ago, on 15 August 1947, the flag of an independent India was raised to the top of the Red Fort, signaling an eternal end to the brutal yoke of British colonialism. Since then, the Indian people have become the masters of their country and their destiny.

The birth of the Republic of India has served as an encouragement for national liberation movements in Asia, Africa, and Latin America and has contributed to altering the situation in Southwest Asia in favor of the forces of peace, national independence, and progress.

Saluting the glorious historic anniversary of the great Indian people, together with the people of nonaligned countries and the entire progressive world, we sincerely express our great joy and our pride over the outstanding achievements scored by the fraternal Indian people. These are successes achieved through a spirit of self-reliance, industriousness, and creative labor.

Overcoming the serious effects of 200 years of colonialization--after only six 5-year socioeconomic development plans--India has made a big leap forward, from a backward country to the front rank of the developing countries with an industrial output ranking 10th among the industrialized countries. India is well known for its white and blue [treangs val xanh] revolutions.

Today, India can support itself with grain. It has gone from producing essential commodities to being an industrial goods exporting country with advanced science and technology. The Indian people have each year produced 115.6 million metric tons of steel, 105.2 billion kw-hour of electricity, 14.5 metric tons of crude, 125 metric tons of anthracite, and 8 billion meters of cotton fabric. They have also manufactured many aircraft and seagoing ships. The people's material, cultural, and spiritual life has been gradually improved.

In 1986, despite drought and floods occurring in various states, India was still able to achieve a high grain yield--157 million metric tons. Compared

with the preceding year, the production volume of the electric engine manufacturing sector increased by 19.5 percent and the mining sector by 7.5 percent.

On the international arena, the prestige and position of the Republic of India has constantly improved. The Indian people have resolutely struggled against imperialism, colonialism and neo-colonialism, and racism as well as international reactionary forces. They have strongly supported the national liberation movement, equality among nations, and establishment of a new world economic order.

As a founder of the Nonaligned Movement, India has worked actively for its consolidation and led it along the right path.

The New Delhi declaration of the six-nation group, of which India is a member, as well as the New Delhi declaration of Prime Minister Rajiv Gandhi and CPSU Central Committee General Secretary Gorbachev are of paramount importance, expressing the aspiration of all mankind for a world without nuclear weapons and violence. India's external activities, which are aimed at strengthening understanding, dialogue, and cooperation among nations, are enjoying a warm welcome from the world public, which considers them to be great contributions to the cause of world peace.

While India is winning the affection of a large section of mankind, imperialist and reactionary forces are trying to work together in using crafty tricks to obstruct and undermine the work of the Indian people. Specifically, in recent years they have taken advantage of India's ethnic and religious problems to sow division. They have financed the ultrarightists' efforts to aggravate various conflicts in order to create instability and maintain tension in India's relations with its neighboring countries. They do this so that they can fish from the troubled water. But the Indian Government, under the dynamic leadership of Prime Minister Gandhi, has taken correct and timely measures to restore order in the states, consolidate national unity, preserve territorial integrity, and satisfactorily solve historical disputes in its relations with neighboring countries. The signing of the Colombo agreement is an effort to this effect.

Celebrating the historic day of the fraternal Indian people at a time when we are preparing to celebrate the successful August revolution, our people cannot help but feel deeply moved when recalling the lofty image of the Indian people's sons being killed during their 1946 demonstration in Calcutta supporting Vietnam in the war being waged there by the French colonialists.

In the past four decades, the tree of Vietnam-Indian friendship fostered by President Ho Chi Minh and Prime Ministers Jawaharlal Nehru and Indira Gandhi has been constantly blossoming and bearing fruit.

Recent official friendship ;visits to India by our party and state leaders and to Vietnam by Prime Minister Rajiv Gandhi have served as milestones marking the increased development of relations of friendship and cooperation between Vietnam and India.

The successes of the combined economic cooperation committee and the many cooperation agreements signed between the two countries have demonstrated the two countries' determination to further strengthen economic, cultural, scientific, and technical relations between the two counties and two peoples, and to build the Vietnam-Indian relationship into a model for South-South cooperation in the interests of the two nations and the peoples of various countries in the region and the world.

We note with pleasure that the relations of friendship and cooperation between India and Indochina have been constantly consolidated and developed. While imperialism has brought death and suffering to the peoples of Indochina and Southeast Asia, India has come to the nations on this peninsula as a messenger of a glorious civilization and of peace and friendship.

India has boldly recognized the People's Republic of Kampuchea, has constantly strengthened its cooperation with the three Indochinese countries, has reserved for them its heartfelt assistance, and has tried to promote the tendency for peaceful coexistence and cooperation among various countries in the region.

India's solidarity with Indochina has contributed to shedding more light on truth and justice in the Cambodian issue and to foiling the sinister schemes of those forces that are trying to cling to the genocidal Pol Pot clique, oppose the three Indochinese peoples, blockade and isolate Vietnam, and pit Indochina against ASEAN.

The solidarity and cooperation between India and Indochina have been and always will be an important factor in the peace, stability, and cooperation of Southeast Asia as well as the entire Asian-Pacific region.

We wish the fraternal Indian people still greater achievements in the cause of building a happy and prosperous life.

The Vietnamese people will eternally work shoulder to shoulder with the Indian people in consolidating and developing the faithful and pure relationship between Vietnam and India and making the Asia-Pacific situation healthy and preserving world peace.

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CSO: 4200/817a

YOUTH UNION DISCUSSES MEASURES AGAINST NEGATIVISM

BK1810055 Hanoi Domestic Service in Vietnamese 2300 GMT 16 Aug 87

[text] In Hanoi, on 15-16 August, the Central Committee of the Ho Chi Minh Communist Youth Union [HCMCYU] held a conference on youth's courageous struggle against negativism. The conference marked the HCMCYU's implementation of the party's renovation policy in response to the NHAN DAN column by Comrade N.V.L., "things That Must Be Done Immediately."

Conference attendees heard many moving reports on exemplary people and held discussions on the most effective measures in the struggle against negativism. They unanimously noted that the present nature of negativism is different from past negativism because some of its perpetrators are sheltered by "protective umbrellas."

Recently, youths have zealously taken the lead in efforts to gather evidence against corrupt elements, embezzlers, and people who bully the masses. However, in some cases they have encountered numerous obstacles because the perpetrators of negativism were their bosses, who also enjoyed the protection of the upper echelons. Honest people who dared to struggle and refrained from violating established policies had to lead a wretched life economically and were under constant threats spiritually.

Responding to the movement organized by the HCMCYU Central Committee to courageously struggle against negativism, conference attendees vowed that they will combine the party's renovation work with the struggle against negativism and closely coordinate building and struggle activities.

On this occasion, the HCMCYU Central Committee commended several youth units and individuals who have scored achievements in the battle against negativism, setting good examples for young people throughout the country.

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CSO: 4200/817a

PHAM HUNG VISITS TWO PRECINCTS IN HO CHI MINH CITY

BK171333 Hanoi Domestic Service in Vietnamese 0500 GMT 17 Aug 87

[Text] Recently, Comrade Pham Hung, member of the CPV Central Committee Political Bureau and chairman of the Council of Ministers, held a friendly meeting with representatives of all party committee and administrative echelons, mass organizations, VFF committees, and retired cadres in the 10th and 11th precincts of Ho Chi Minh City, where he was elected National Assembly deputy. Also present at the meeting was Comrade Ung Ngoc Ky, representative of the Ho Chi Minh City VFF Committee.

In each precinct, the comrade chairman was briefed and exchanged views with these representatives and the local people on various measures to iron out difficulties in production, distribution, circulation, and the people's livelihood.

He also listened attentively to the good experiences and difficulties in each precinct and exchanged views on issues concerning the control of prices; organization of the retail networks; calculation of both input and output in industrial and small industrial-handicraft production; medical, educational, cultural, social, and daily life activities; and the implementation of the production and business plans and budget for the first half of 1987.

Chairman Pham Hung commended the party organizations, administrations, mass organizations, and people of the two precincts for having exerted great efforts, dynamism, and creativity to solve various problems and fulfill all socioeconomic norms. He said:

The Council of Ministers is now in the process of reviewing the implementation of the party Central Committee's second plenum resolution on the urgent policies and measures to solve the problem of distribution and circulation. To manifest the policies of the party and state, it is necessary to study the good experiences as well as the difficulties that have been encountered by various localities and units.

The comrade chairman pointed out the main features of the present situation and the major tasks for the last six months of 1987 with the aim of most satisfactorily fulfilling the agricultural and industrial production plans and effectively solving the problem of distribution and circulation so as to

gradually stabilize the socioeconomic situation and improve the people's livelihood.

He urged all party organization and administrative echelons and all cadres and party members to understand even more thoroughly the lines and policies of the sixth party congress, ensure unity and unanimity, appreciate the advantages and difficulties, gallantly engage in productive labor, strictly practice thrift, participate actively in the campaign to purify the state machinery and increase its managerial efficiency, beat off and eliminate all negative phenomena, improve all social relations, and realize social justice.

Chairman Pham Hung wished the party organizations, administration, mass organizations, and people of the 10th and 11th precincts new progress and many successes in both thought and action in compliance with the spirit of the sixth party congress resolution.

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CSO: 4200/817a

VO TRAN CHI ADDRESSES PEASANTS CONGRESS

BK181251 Ho Chi Minh City SAIGON CIAI PHONG in Vietnamese 2 Aug 87 pp 1, 2

[Text] The Congress of the Ho Chi Minh City Collectivized Peasants Association held its closing session yesterday, 1 August.

The session attendees heard and adopted a report on the suggestions made by various delegates during their group discussions. According to the report, the delegates expressed a high identity of views with the contents of the recapitulative report and motion addressed by the association to the Standing Committee of the city's party committee, and welcomed the ideological viewpoint and the problem-raising method mentioned by Comrade Vo Van Cuong, vice chairman of the city's People Committee, in his address to the Congress. The delegates also unanimously proposed that the city's People's Committee promptly translate into policies the suggestions made by Comrade Vo Van Cuong to serve the 10th month crop production in a timely fashion. They suggested that this task be regarded as one of the "things that must be done immediately" by the city's People's Committee....

The Congress attendees heard greetings from representatives of the VFF and the Federation of Trade Unions of Ho Chi Minh City and from representatives of the Collectivized Peasants Associations of some provinces. In particular, the Congress heard instructions given by Comrade Vo Tran Chi, secretary of the city's Party Committee. After warmly welcoming the results obtained by the Congress during two days of intensive, democratic, and constructive work, Comrade Vo Tran Chi suggested that the delegates continue studying and try to understand even more profoundly the talk given by Comrade Nguyen Van Linh, former secretary of Ho Chi Minh city's Party Committee, at the third Congress of the city's Collectivized Peasants Association. They should consider this talk as a guideline for action, a political beacon leading the peasantry in the city's suburban areas to voluntarily advance toward socialism....

Dealing with the road to socialism for the peasantry and the rural areas of Ho Chi Minh City, Comrade Vo Tran Chi asserted: The aspirations of the absolute majority of the peasants in the socialist revolution are, in the main, totally identical to the objectives of our party's socialist revolution. To realize their aspirations, the peasants "have no other road to take than the road to collective production...."

Speaking of the role of the Collectivized Peasants Association, Comrade Vo Tran Chi said: "The association is a broad-based sociopolitical organization of working peasants under the party leadership. It is the representative of the labor interests of the peasantry. The association must take the initiative in going deeply into the peasants' life to detect and report their requirements and aspirations to the party. At the same time, if must propagandize and explain party and state policies and positions to the peasants, thereby enabling them to ceaselessly enhance their understanding of socialism. For this reason, the association's activities must have broad mass character and a profound party character."

The comrade secretary of the city's Party Committee also urged party organizations and administrative committees at all echelons in the rural areas to realize the fact that peasants constitute the largest revolutionary force there. Therefore, if "the party and administration in the rural areas are alienated from this force, they will have no strength left to carry out the weighty revolutionary tasks in the countryside...." Touching on relations between the party and administration on the one side and the mass organizations in the rural areas on the other, the comrade secretary stressed: "Wherever the peasants associations and other mass organizations in the rural areas are weak, the party and administration there can easily become corrupt and run counter to the people's interests...." For this reason, he advised: "In each village, hamlet, production collective, and agricultural cooperative, we must realize by all means the system of party leadership, working people's collective mastery, and state management...." (Contents of the address by the comrade secretary of the city's Party Committee will be carried in another issue of SAIGON GIAI PHONG).

The Congress exchanged views in a frank manner on the personnel composition and structure of the new executive committee of the city's Collectivized, Peasants Association. The Congress nominated 3 more delegates, raising the number of candidates for the executive committee to 42. The delegates elected 39 comrades to the new executive committee with a high percentage of votes. Comrade Le Trung Nghia, president of the city's Collectivized Peasants Association, in its third term, was reelected chairman of its fourth executive committee.

The delegates adopted a resolution on the Congress of the Collectivized Peasants Association in its fourth term.

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CSO: 4200/817a

POLITICAL

VIETNAM

BRIEFS

44 PARTY MEMBERS DISCIPLINED--Over the past 6 months and more, Binh Thanh Ward has dealt with 44 of the 99 cases of negativism involving party members which have remained unsolved since the end of 1986. To date, 8 people have been expelled from the party, 4 have had their names removed from party records, 13 have been served with warnings, 17 have been reprimanded, and 2 have been dismissed from official positions. Among the party members subjected to disciplinary action, many held positions such as subward party committee secretary, chairman of subward people's committee, head of subward public security forces, director of consumer cooperative, store manager, company director and deputy director. Along with consolidating party organizations, from early 1987 to June basic party organizations in Binh Thanh Ward admitted 44 new party members including 15 women. All of them were workers directly engaged in production work. Compared to the targets set early in the year the number of party members recruited over the past 6 months was still low, but the quality of these new members has been rated good. [Text] [Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 1 Aug 87 p 1 BK] /12913

REACTION TO REAGAN SPEECH--According to foreign sources, U.S. and world opinion is reacting totally unfavorably to U.S. President Reagan's 12 August speech on the Irangate scandal. Many leading U.S. and Western newspapers have pointed out that most of the interesting points of the Iran-Contra scandal were not mentioned or satisfactorily addressed in the speech. The U.S. President only assumed general responsibility for the illegal arms sales to Iran, but he cited the so-called concern for the fate of the U.S. hostages to justify his wrongful decision. Reagan also refused to deal with the seriousness of the criminal activities conducted by the White House in the Iran-Contra affairs. [Text] [Hanoi Domestic Service in Vietnamese 1100 GMT 17 Aug 87 BK] /12913

CSO: 4200/817a

ARMY COLONEL DISCIPLINED FOR TAKING BRIBES

BK131445 Hanoi Domestic Service in Vietnamese 0500 GMT 13 Aug 87

[Text] According to the paper QUAN DOI NHAN DAN, there have been many complaints and letters sent by the masses to the party committee of the Rear Service General Department, denouncing certain people for having abused their positions and authority to demand bribes and to distribute living quarters illegally.

An investigative team of the barracks department has reached this conclusion: There is evidence that Colonel Luu Van Thong, head of the cadres' families management office, and his colleagues have accepted gifts, tea money, and other forms of bribery. They have misinterpreted the regulations and standards for distribution and rearrangement of living quarters for cadres, workers, and civil servants, have taken bribes, and have inspired ideas of bribery.

A large number of the cadres and workers at the Rear Service General Department are demanding clarification of why Comrade Luu Van Thong was promoted early to the rank of colonel despite the severity of his negative actions.

The case involving Luu Van Thong; Tran To Anh, deputy head of the Cadre's Families Management Office; and Vu Son, head of the administrative board of the Nam Dong community center in Hanoi--who took advantage of a rearrangement of old living quarters to demand bribes for allocating new living quarters in a manner conflicting with regulations and policies--has been investigated and considered by the party standing committees of the barracks department and the Rear Service General Department for disciplinary action.

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CSO: 4200/819

PRICE POLICY CLARIFIED BY PRICE COMMISSION CHAIRMAN

Hanoi NHAN DAN in Vietnamese 26, 27 May 87

[Interview with Phan Van Tiem, chairman, State Price Commission, by NHAN DAN reporter: "To Apply 2nd Plenum Resolution to Life; About Price Mechanism and Policy"; date and place of interview not given; first paragraph is NHAN DAN introduction]

[26 May 87 p 2]

[Text] Editor's Note: Studying the resolution of the 2d Plenum of the CPV Central Committee on "Resolving Urgent Distribution and Circulation Issues," our cadres and people have raised many questions that prove their special concern about its contents. In the spirit of widening the dialogue between the masses and leaders of state management organs, NHAN DAN has done this interview. We hope that the responsible ideas of officials being interviewed will clarify the issues being raised.

Question: According to the resolution of the 2d Plenum of the CPV Central Committee, has there been any change in the price mechanism? Please let us know the significance of such a change.

Answer: The price mechanism, particularly the ways to set and manage prices, greatly affects the formation and movement of prices of products and commodities in the national economy. Therefore, to have a correct price-setting and price-managing mechanism suitable for the requirements of the objective economic laws is an important condition to ensure correct and effective management of economic activities and social life.

A correct price mechanism ensures centralized leadership of the economy on the basis of strongly developing the initiative and creativity of collectives of working people and of economic installations and sectors; overcomes the spontaneity of the law of value; and at the same time applies its positive effects to developing production, expanding circulation, and stabilizing markets and prices. Being an important and changing part of the economic management mechanism, the price mechanism we had in the past reflected the shortcomings and weaknesses of the management mechanism based on bureaucratic centralism and state subsidies and letting state organs (central and local) decide and set the great majority of prices, which were too detailed and

strict, often unrealistic, and by law were to be used by all production and business installations. Generally speaking, proper importance is not yet attached to the role of production and business subjects--the people who directly use the production factors that form the values of products and at the same time are both direct users and consumers of those products of the economy--in the forming and deciding process.

However, as General Secretary Nguyen Van Linh has commented, we must not, and cannot, think that "those who produce decide about prices." To renovate the price mechanism requires that we abolish bureaucratic centralism and state subsidies, in spite of the objective law of production and exchange of commodities. At the same time, we must guard against and overcome the ways of doing work freely and anarchically, setting prices in a deliberate manner, and running after price differences because of local interests of individuals and production and business installations in a given locality or sector, which makes prices fluctuate in a disorderly manner; go against the objective requirements of economic development, planning, and socialist business accounting, without regard to the social interests of the working masses.

The price-setting mechanism must be applicable to different degrees to various types of commodities, and depending on importance, scope of circulation, and level of influence on production and daily life, a suitable formula of leadership, either direct or indirect, must be adopted.

The general meaning of the new price mechanism lies in the fact that the state is responsible for setting and managing prices in three forms:

1. The "hard" direct form: The state sets practical price levels applicable to important materials and commodities having strategic significance for the national economy and social life as a whole.
2. The "soft" direct form: Through broad and total studies of and consultations about producers' and business people's plans and resolutions, the state determines only price frames, standardized prices, and maximum and minimum price limits for other important commodities. Within these price frames, standardized prices, and price limits, production and business subjects agree on practical price levels suitable for certain localities, at certain times, and under certain production and business conditions. The state at the central level and local administrations, depending on the kinds of commodities involved, are to determine the extent of price frames and limits, and to change them at different times to make them more appropriate.
3. The indirect form: The state does not directly set prices (including price levels and frames) for the remaining commodities. Although these commodities include a wide range of varieties, they are less important in production and daily life and are circulated within smaller areas. Prices of these commodities are determined by production and business organizations, which agree among themselves and determine price levels. Here the state provides indirect guidance through regulations and rules about cost and circulation-expense accounting, income policies and regulations, profits, and taxes in regard to various kinds of commodities.

The decentralization of price setting and managing in the three above-mentioned forms has been affirmed in the resolution of the 2d Plenum of the CPV Central Committee: "Pursuing a national decentralization of price setting, the Central Committee decides about selling prices or price frames for the most important materials, prime ratios between materials and farm products, highest limits in terms of grain selling prices, and retail prices or price frames for foods and important industrial goods being circulated throughout the country or in large areas. On this basis, the Central Committee extends the right to set prices to production and business organizations, sectors, and localities."

The central state organs determine price frames, standardized prices, price limits, and price ratios for exchanges on the basis of these major factors:

- Price plans drafted by production and business organizations themselves under the leadership and guidance of the State Price Commission, sectors, and local administrations, in conformity with production and business requirements, values of products, and the working people's purchasing power.
- Combined relations having to do with values and use values, and with both financial and material resources of the national economy, under the guidance and direction of the national economic plan.
The price-setting mechanism actually works as follows for different kinds of prices and products:

a. Purchase prices of farm, forest, and sea products:

The state at the central level (the Council of Ministers or the State Price Commission assigned by the Council of Ministers) determines the purchase-price frames for the most important farm products in different areas and for each crop season, and the price ratios for exchange between materials and farm products in economic contracts. On the basis of these purchase-price frames, business organizations in the commodity sector consult with provinces, municipalities, and special zones about practical price levels in order to sign contracts with agricultural production installations and farmer households in accordance with mutual agreement to buy and to sell.

Prices of important farm products to be purchased outside of contracts are set by agreement of business organizations in the commodity sector under the leadership of the State Price Commission, sectors, and local administrations with agricultural production installations and farmer households at a practical level in accordance with production and business requirements.

b. Selling prices of materials:

-- For materials (imported and domestic materials produced under central management), the state at the central level determines price levels or standardized prices for the most important kinds having strategic value and a great influence on the national economy. General corporations dealing in materials and unions of production enterprises (street consumers), on the basis of standardized prices under the guidance and leadership of the state

Price Commission and ministries concerned, determine practical price levels in accordance with different kinds and qualities. For the remaining materials (beyond the lists for which the state determines prices and standardized prices), selling-price levels are determined by general corporations and unions of enterprises under the guidance and leadership of the State Price Commission and ministries concerned and in regard to the principle, procedures, and rules about accounting of costs and calculation of prices.

-- For materials produced by localities (including those produced by small industry and handicrafts) and imported by and for consumption in localities, prices are determined by local business corporations under the leadership and guidance of the people's committees of provinces, municipalities, and special zones subordinate to the central administration and in accordance with the procedures for cost accounting and unified calculation of prices.

-- Materials and equipment under central management are sold at unified prices to the state-operated, collective, individual, and private economies in all sectors (industry, agriculture, small industry and handicrafts, forestry, fishery, and so on).

c. Retail prices of consumer goods:

The state at the central level determines price levels, standardized prices, and price frames or limits prices of a number of important grain, food, and industrial consumer goods, which are circulated throughout the country or within large areas, and the commodities coming under the social policy.

On the basis of these standardized prices, price frames, and price limits, for other consumer goods (outside of the lists drawn by the central administration), local administrations and business organizations in the commodity sector determine price levels under the guidance of the State Price Commission and ministries concerned in terms of price calculation policy and procedures.

For consumer goods imported or produced by and for consumption in localities, local administrations and business corporations determine retail price levels under the guidance of the State Price Commission in terms of price calculation policy and procedures.

In short, to renovate the price-setting and price-managing mechanism must be included in the overall renovation of the entire economic mechanism, with the key factor being to really switch to socialist business accounting, to pay back capital investment by oneself, and to be responsible for one's own losses and profits. This is a serious and complicated matter that requires time, the right approach to the system, and consistency as well as continuity in the handling of price policy and mechanism matters. Only then can the price policy and mechanism satisfy the objective requirements of economic development, be a part of our everyday life, and avoid the situation in which we take the one-way road to prices fluctuating and being monopolized by the free market. The price-setting mechanism must contribute to "strengthening the effectiveness of the centralized and unified central leadership, along with a forceful development of the dynamic creativity of the basic levels,

localities, and sectors" (resolution of the 2d Plenum of the CPV Central Committee).

The price-setting mechanism must contribute to renewing the economic management measures; renewing the method of carrying out plans, instead of underestimating these plans; and on this basis, releasing productivity, freeing the flow and smooth circulation of commodities, gradually reducing the pace of price increases on the market, gradually moving towards price stability, and little by little stabilizing the socioeconomic situation.

To renovate the mechanism in accordance with the above-mentioned basic approaches is an objective requirement of the economy, but an extremely important thing to achieve is, on the basis of the new mechanism, to strengthen price discipline and social rules, to strengthen market management through effective economic measures combined with the necessary administrative measures, and to make the social market a healthier one.

Question: The resolution clearly points out that all exchange relationships between state economic organizations on the one hand and cooperatives, agricultural production collectives, and farmer households on the other must be based on the principle of equality, a mutual agreement to buy and to sell, and an assurance to consolidate the worker-farmer alliance. Now that the principle of equality and the agreement to buy and to sell must be carried out, why do we have to determine price ratios, levels, and frames?

Answer: First of all, I have to assert that to carry out the principle of equality, the agreement to buy and to sell, and the assurance to consolidate the worker-farmer alliance in the commodity-exchange relationships with farmers absolutely is not contradictory to the fact that the state at the central level determines the price ratios for exchanges of materials and farm products and the purchase price frames for the most important farm products. The principle, policy, and mechanism for setting purchase prices of farm products as they are mentioned above have to be understood as follows:

First, the fact that purchase prices of agricultural products must ensure the principle of equality and the mutual agreement to buy and to sell means to do away with the situation in which prices are forced on people and resources are exchanged in spite of the objective law of production and exchange of commodities, and purchases and sales are made at wrong values; to be able to buy and to sell on the basis of doing business that ensures benefits for both farmers and the state; to make purchase prices of agricultural products, as well as selling prices of industrial goods (means of production, and industrial consumer goods as well), cover all production and circulation costs that are calculated accurately and fully; to let production installations make appropriate profits and the state have the accumulation (depending on the kind of commodities involved, with losses in some cases) for expanded reproduction; and to allow development of both agriculture and industry. Such equal economic relationships between agriculture and industry, according to Lenin, are "the form and substance of the worker-farmer alliance" in the period of the country's economic construction and development, and "the only way to make labor on the part of farmers and workers be labor expended for

themselves, rather than for exploiters." (Lenin: "Complete Works," Vol 44, pp 377, 381)

Second, the purchase price frames for agricultural products and price ratios for exchanges of materials and agricultural products set by the state for the most important agricultural products are first of all aimed at ensuring the above-mentioned principle. In spite of this, these purchase price frames and exchange price ratios are applicable only to the state's purchasing business organizations [the buying party] and are not binding for farmers [the selling party] in the process of reaching agreement to sign contracts. If contracts are signed on the basis of the price frames and ratios that have been set, this means that the buying and selling parties have reached an agreement (the mutual agreement to buy and to sell) contained in their contract. On the other hand, if the price levels set in the price frames and ratios for exchanges of materials and agricultural products are no longer suitable for the actual situation conditions that prevail, do not ensure the above-mentioned principle, or do not properly respond to the legitimate requirements of production and business on either side, the selling party has the right to refuse to sell and the buying party has the right not to buy, or the business organizations concerned proceed with drawing plans to suggest that the state decide about new purchase price frames and price ratios for exchanges of materials and agricultural products. So, for practical purposes, what is the meaning of purchase price frames and price ratios for exchanges of materials and agricultural products?

-- The real meaning of purchase price frames and price ratios for exchanges of materials and agricultural products being set for the most important agricultural products comes from the need to have an overall balance of values between agriculture and industry, as well as in agriculture itself among grain crops, agricultural products for export, and other kinds of agricultural products, in accordance with the direction that has been set for implementation of the plan to promote agricultural development to serve the economic interests of individuals, collectives, and society as a whole, and to compromise the interests of producers (sellers), consumers (buyers), and the state within the goals of the national economy. For instance, through purchase price frames and exchange price ratios to direct agricultural development toward growing in a concentrated manner and on a first-priority basis more grain, major food crops, and crops having high economic values and providing raw materials and products for export.

-- The purchase price frames and price ratios for exchanges of materials and agricultural products serve to set a direction for business in favor of state economic organizations (the buying party) and to encourage these organizations to switch to socialist business accounting, to successfully fight those private business people who monopolize the agricultural product market, to consolidate their business prestige as seen by farmers, and to move toward being masters in the social market. At the same time, they serve to make sure that the interests of farmers, consumers, and the state will not be damaged by any deliberate acts of imposing purchase prices and undermining selling prices. The results of properly carrying out the above-mentioned principles will create favorable conditions for overcoming the current paradoxical situation: Although the state sets purchase prices of agricultural products

and selling prices of agricultural materials and consumer goods along the line of investing in agriculture and benefiting farmers, in reality, because of the many layers and levels of intermediary action by business organizations and because of private business people taking their share of such earnings and illegally making profits, we are faced with a situation in which farmers sell at low prices, buy at high prices, and have decreasing income, while there are no conditions for quickly increasing accumulation in agriculture; the state is in the same boat, buying at high prices and selling at low prices, and must pay large compensations for losses; and thieves in the state machinery and business people get rich very quickly.

-- The fact that the state determines purchase price frames and exchange price ratios without setting actual price levels, in addition to the important effects mentioned above, is aimed at helping state-operated business organizations to develop their dynamic quality and creativity and to apply in a flexible and suitable manner the levels set in the directed price frames to actual production and circulation conditions in a certain locality and at a certain time. On the other hand, under favorable conditions of good harvest for a certain important agricultural product, although free market prices may go lower than the minimum level of purchase price frames, these price frames will remain effective for state-operated business organizations so as to promote and expand the consumer market, to strengthen processing and storage, to encourage the smooth flow of commodities from their sources, to guarantee that farmers will not lose their income from this kind of agricultural product, and to avoid any adverse effects on the goal of agricultural development in the national economy.

Finally, the fact that the state determines purchase price frames for the most important agricultural products has a great significance for our efforts to gradually stabilize prices in general and retail prices of grain and foods in particular, and to make important contributions to slowing down the pace of price increases and reducing difficulties in the life of working people, particularly workers in nonagricultural fields, the employees who live on wages.

[27 May 87 p 2]

Question: For state enterprises, what do you mean by "calculating accurately" and "calculating fully" the "entry end" and "exit end" prices? Why do you have to take one step at a time in handling this matter?

Answer: For state enterprises "entry end" prices mainly mean prices of various kinds of raw materials, materials, and energy; depreciation of fixed assets; and wages that these enterprises must pay in order to carry on production and business. As to "exit end" prices, they are consumer prices of products made by them and sold to circulation organizations, or sold directly to consumers.

To calculate accurately the "entry end" and "exit end" prices as mentioned earlier for state enterprises means to eliminate unreasonable expenses having nothing to do with the process of supplying materials itself, and with production and consumption of products, unnecessary social expenses resulting

from circulation being organized with so many intermediary layers; poor management; waste of materials, goods, labor, and capital; negative aspects in production and business, such as money "put in the palm of the hand" to make illegal connection, deliberate increase of quantities of materials and energy used to raise unit prices and costs of products and to switch to secondary production, illegal supply of products in the free market to make profits, and so on.

To calculate fully the "entry end" and "exit end" prices means to make prices reflect the values of commodities, to guarantee that all production and import expenses will be covered and there will be accumulation.

For state enterprises, as they abolish bureaucratic centralism and state subsidies and switch to socialist business accounting, pay back capital by themselves, and bear their own responsibility for losses or profits, to calculate "accurately and fully" the "entry end" and "exit end" prices is an objective requirement aimed at controlling production and business activities "by money" and on the basis of labor productivity and economic results. However, as today's realities indicate, the state-directed prices of various means of production (materials, energy, equipment), both imported and domestic, which state enterprises buy to carry on their production and business, are too low compared to their values. This means that in the case of imported means of production, the directed prices, which not long ago were set quite high, have quickly become much lower compared to the cost prices (in local currency) at the time of their import. For the means of production produced in the country, their prices at the time they are sold to state enterprises are also low, even much lower compared to their costs which have been raised very high in the last period of more than a year. For instance, coal, building materials, and costs of shipping commodities. As a result, the enterprises that use materials and equipment are able to buy them at low prices while the producers that make them cannot cover all production expenses and the state has to make widespread compensations for losses (in production, import, export, as well as in grain and food business because of buying at high prices and selling at low prices). Naturally, since these enterprises buy the means of production at low prices, they must also sell their products at the low prices determined by the state, which once more has to pay compensation for losses to these enterprises. We cannot talk about socialist business accounting with such a price system. In the meantime, retail prices of industrial consumer goods in the commercial sector are at very high levels because of a fast devaluation of currency, which leads to very great price differences in the consumer goods-producing enterprises and in the commercial sector as the result of "entry end" prices being artificially low and "exit end" prices quite high. This is the reason why there appears in the economy a widespread situation of "unreal profits, real losses," with economic accounting and planning being only some form that brings about adverse effects on production, circulation, and the major value balances of the economy. More particularly, the discrepancy between "entry end" and "exit end" prices gives rise to price differences in many fields and sectors, along with numerous useless layers, which create chaos for production and circulation, as well as the distribution of national income in the economy, and obstacles for the efforts to switch to socialist business accounting.

A bad result of prices of materials, energy, and equipment being too low is the appearance of many intermediary layers taking advantage of price differences in the supply of materials and circulation of commodities. Materials and commodities do not go straight to producers and consumers through the shortest and most reasonable road. In state enterprises, the fact that prices of materials are too low leads to waste and use of materials beyond the set norms, and even unintentional assistance to the bad elements who illegally supply the free market with materials and commodities owned by the state, even the strategic materials like gasoline, oil, iron, and steel. Many important materials go from state-operated production organizations to the free market and then go from the free market back to these state economic organizations, with prices being greatly increased after having gone through many jobs and many rounds of dealings for profits due to price differences. All of these negative phenomena are an unbearable burden for the national finances and the life of the majority of people.

In short, prices of the means of production at the "entry end" and of products made by state enterprises and paid by consumers at the "exit end" are all wrong in terms of their values, for there is a rather large gap compared to the purchasing power of a currency that has lost its value. This holds back the effectiveness of social production while the efforts to take advantage of price differences hide many negative aspects of the system of supplying materials and selling products, and distort the overall value relationships in the economy. Therefore, in order to switch the activities of state enterprises to the realm of socialist business accounting in conformity with the objective economic laws and for the purpose of raising labor productivity, effectiveness of social production, and legitimate income of laborers, the 2d Plenum of the CPV Central Committee has decided to reorganize the system of supplying materials and selling products of state enterprises. To "accurately and fully" calculate "entry end" and "exit end" prices requires enterprises in different sectors to work effectively; to save labor, materials, and energy per unit of product; and to avoid the situation of taking advantage of price differences, "unreal profits, real losses," and state subsidies, which are very widespread and serious.

Why for state enterprises to make accurate and full calculations of "entry end" and "exit end" prices requires them to make one step at a time? This is a matter of principle which the resolution of the 2d Plenum of the CPV Central Committee has affirmed.

The reality of economic management in the last several years has proved that to switch the activities of enterprises to the new mechanism, i.e., to socialist business accounting, starting with supply of materials and production and ending with selling of products, would be an extremely fierce and complicated struggle to renovate the way of thinking and doing things, a struggle that would involve all sectors and echelons in economic management and would closely affect the interests and obligation of millions of laborers. This can only be carried out fully by means of a complete and basic renovation of the economic management machinery and economic mechanism, and there must be the necessary material bases, which thus require more time. Any subjective action and impatience would not bring about the desired results and could instead create more disorder for the economy that remains unstable. As

General Secretary Nguyen Van Linh said in the closing address at the 2d Plenum of the CPV Central Committee, "no miracle can turn a bad and difficult situation that has existed for several years into a good one right away. We must untangle it little by little and move toward stabilizing the situation within a few years."

On the other hand, on the basis of the importance of each kind of product and each sector in the economy, and because of the nature and scope of the action, to calculate "accurately and fully" the "entry end" prices must deal with the "exit end" under four circumstances, which the Central Committee resolution has emphasized as follows:

-- The kind that guarantees profits and accumulation for the state (mainly the enterprises that produce consumer goods).

-- The kind that temporarily is exempted from making accumulation contributions to the state.

-- The kind that receives price support from the state for a certain period of time (mainly the enterprises in heavy industry and transportation).

-- The kind that suffers from prolonged losses and has to redirect its production, or to be transformed into a collective economic installation.

To handle the "entry end" and "exit end" must be carried out step by step, in a steady manner, on the basis of creating no obstacles for production and circulation, nor any sudden changes to retail prices in the commercial sector, and in conformity with the purchasing power of the working people.

Therefore, the important thing in "accurately and fully" calculating the "entry end" and "exit end" prices and in handling it step by step is to make choices by setting retail prices in the commercial sector to suit the purchasing power of the working people as a standard for setting and determining prices of the means of production, both imported and domestic, in such a way as to raise the effectiveness of production and business on the basis of reconsidering the rate of use of materials, energy, and machinery and equipment; to abolish any unnecessary intermediary jobs in the system of supply of materials and circulation of commodities; and to guarantee reasonable production costs and selling prices, without sudden changes, while still guaranteeing wages for workers, appropriate income for enterprises, and the necessary accumulation based on products for the state budget. To avoid sudden changes of retail prices and at the same time to calculate fully and accurately "entry end" prices is a very severe demand, but it reflects the severity of life itself and is a demand of the working people. It also is a production problem, an economic problem, that can be solved only by collectives of laborers in production and circulation installations and in all sectors and enterprises, by their creative minds and through their own efforts.

What we need to emphasize is that we are not going to "calculate fully" the "entry end" prices by means of raising selling prices of products beyond the working people's purchasing power but rather to "calculate accurately" and

"calculate fully" the "entry end" prices and to handle the "exit end" in a careful manner on the basis of reasonable selling prices of products (without any sudden changes), with distinction being made as to our logical consumption policy and the capacity of our national economy.

Question: Please let us know more about whether selling prices of products made by production enterprises and sold to circulation organizations are determined on the basis of subtracting circulation expenses from commercial retail prices (in the case of consumer goods) or from wholesale prices of materials (in the case of the means of production).

Answer: First of all, it is necessary to emphasize that to determine selling prices of state enterprise products must actually start with the process of forming the values of commodities. This process is closely linked with the productive labor process, that is to say we must determine them by starting with the costs of producing commodities, i.e., we must start with the need to "calculate accurately" and "calculate fully" the "entry end" and "exit end" prices, as we mentioned earlier.

However, we are facing a difficult and complicated task, which is to rearrange and reorganize the system of retail prices in the commercial sector, or the "exit end" of production, without missing the price target but instead making it a stable system. This is a matter of great political, economic, and social significance that responds to the objective requirements of economic development, planning, and socialist business accounting, and is a legitimate and urgent aspiration of the great majority of working people. On the other hand, we must also adjust the levels of wholesale prices of various kinds of materials, energy, and equipment (the entry end of production), which have become too low, and along with them the purchase prices of agricultural, forest, and sea products in two-way economic contracts.

We thus cannot achieve "full calculation" of entry-end prices by means of raising "exit end" prices, i.e., selling prices of products of production enterprises, above commercial retail prices and beyond the working people's purchasing power, but on the contrary, we must rely on the established retail prices in the commercial sector to determine other prices, such as selling prices of products of consumer goods-producing enterprises and wholesale prices of materials of means of production-making enterprises, in accordance with the principle mentioned in the resolution of the 2d Plenum of the CPV Central Committee.

To determine selling prices of products of production enterprises in accordance with the above-mentioned principle is aimed at guaranteeing concentrated accumulation for the state budget starting with production, abolishing "unreal profits" in circulation and "real losses" in production, and turning prices into a yardstick to measure the effectiveness of production and business and something closely linked with the interests of working people.

Let us take the final selling prices charged to consumers (retail prices) and selling prices charged to producers (wholesale prices of materials) as highest limits, after paying (subtracting) to circulation workers the necessary

expenses (commercial and materials deductions), and create for producers the possibility of making contact with the consumer market and to be closer to consumers (real buyers) so that from there they know the social evaluation of their products, the expenses that society grants such products, as well as the legitimate share of income that they can really have (real profits) and is recognized by society. This at the same time also creates the possibility for the market and consumers (buyers) to have their own voice in relation to producers. This voice is not distorted by many layers of intermediary work that takes advantage of price differences. There are quite a few cases in which society and consumers highly evaluate certain products and agree to pay a large portion of their purchasing power because of their good quality and the fact that they bring about great usefulness and good results in the using process, but the "prices" that have been paid, though very legitimate, do not go to those who have actually made these products but instead to the "intermediary" jobs. Therefore, to change the way selling prices are determined for state enterprises does not solely bear a professional significance in price setting, but the main purpose is to achieve a change in the relationships between production and consumption that will make producers keep in touch with the market.

5598

CSO: 4209/523

NATIONAL INDUSTRIAL DEVELOPMENTS OUTLINED

OW131625 Hanoi VNA in English 1456 GMT 13 Aug 87

[Text] Hanoi VNA 13 August--All water containment works at the Hoa Binh hydro electric power project on the Da River, southwest of Hanoi, have been raised to a level high enough to resist the flood in the coming rainy season.

--In the first week of July, the Tri An hydro-electric power project assembled a 250-ton crane for the installation of the rotors and turbines of the first generator group.

--In the first six months of 1987, many engineering products have been produced by the metal and engineering industry in service of agriculture. These include water pumps of the 2,500 cubic metres/hour type, "Bong Sen" (Lotus) tractors and diesel motors, up from 15 percent to 100 percent above target. The southern engineering company produced 18 percent more spare parts for agricultural machines than in the corresponding period last year.

--In the first half-year, light industry output rose by 69 percent over the corresponding period last year and 47 percent over that in the whole of 1986. The increases were from 22 percent to 90 percent for glass products, printing paper, porcelain products compare with the same period last year.

--In the first half-year, Them Lam Thao superphosphate plant, north of Hanoi, produced 140,000 tons of fertilizer while the Ha Bac nitrogenous fertilizer plant, north of Hanoi, turned out 12,000 tons.

--The institute of metal-cutting machines and machine tools under the Ministry of Engineering and metals has turned out a 2.5 ton lathe for archimedes screws codenamed T820A.

--The transport science and technology institute the general department of marine transport have produced [words indistinct] parolovinyl used in the [words indistinct] bottom.

--The institute of precious and rare metals under the Ministry of Engineering and Metals [words indistinct] 21,000-crested magnet sorting machine, the biggest in terms of magnetic intensity ever manufactured in Vietnam.

/12913
CSO: 4200/818

MARKET MANAGEMENT COMMITTEE ON BANNED GOODS

BK161721 Hanoi NHAN DAN in Vietnamese 5 Aug 87 p 2

[Text] On 12 June 1987, the chairman of the Council of Ministers issued Directive No 199-ct promulgating a list of materials and goods which the state bans private traders from dealing in. In order to scrupulously implement this directive, we are presenting below a memo from the central market management committee providing essential guidance for implementation:

1. No permits should be issued to private traders dealing in those kinds of equipment, machinery, materials, and goods manufactured or imported by state-owned economic organizations (names of these goods already listed in Point 1 and Point 3d of the directive).

The exchange among production establishments and producers of those raw materials, fuel, processed materials, fertilizer, and insecticide provided by the state for implementation of their production contracts or other contracts for product consumption in accordance with the state plan is not considered an act of trading, and, therefore, there is no need for a permit. However, no one is allowed to take advantage of this kind of exchange to engage in illegal deals.

In general, no permits should be issued to those private traders dealing in "discarded" metal. As for those who travel here and there among the people to buy "scrap iron" for subsequent resale to business organizations dealing in materials or to production establishments, they should be given business licenses. This is to help gather this scattered source of material from among the people for recycling.

Because the state bans private individuals from dealing in these kinds of goods, state-run business organizations must surge forward to meet the legitimate and rational demands of society, including those demands arising from production and life.

As for those traders who are dealing in goods that are banned by the state, we must direct them to shift to production business, support services, or dealing in those goods permitted by the state. The state-run trade sector must select a number of people to act as retail agents basing themselves on the realistic conditions in the localities concerned to request relevant provincial, city, and special zone people's committees to either consider and fix a deadline for

revoking a number of permits already issued to those private traders now dealing in the goods cited above or to allow those traders to temporarily continue their trade business for a short period of time in case the state-run trade sector is not ready to surge forward to fully and simultaneously cover this kind of trade business. This will help prevent unexpected difficulties facing the local people's production and life.

2. With regard to marketable products (production means and consumer goods) of the collectively-, individually-, privately-, and family-run economic sectors, it is necessary to adhere to the policy on commodity circulation adopted at the Second Plenum of the CPV Central Committee.

Regarding production means, commonly-used machinery, and industrial commodities, in addition to the quantities to be sold to state-run economic organizations in accordance with plans and contracts, the production establishments concerned are authorized to either sell these things directly to the consumer or delegate the state-run socialist trade sector to sell them in accordance with conditions agreed upon by both sides. If production establishments themselves are selling these things at their own stores, they must secure a business license. As for certain products that small-industry and handicraft establishments process from those raw materials supplied by themselves (not in the category under state control), if it is considered necessary to promote the widespread consumption of these products in many localities, we can authorize private traders to deal in these products as usual without subjecting them to any limitations in terms of quantity and area of business operation.

Regarding grain, forestry, aquatic, and marine products, and other foodstuffs, on the basis of ensuring fulfillment of the tax obligation and the duty of selling products under contracts signed with state-run economic organizations, all production establishments and producers can freely circulate and sell their products. As for those goods subject to commodity taxation, the production establishments and the producers concerned must pay taxes on these goods. Production establishments and producers can delegate the socialist trade sector to sell their products on their behalf in accordance with agreed-upon conditions. To open a store to sell their products, they must get a licence from the trade sector. Localities must reorganize commodity circulation points, including market places, so producers can bring their surplus products there for sale to consumers.

Alcohol and cigarettes are the kinds of goods over which the state must exercise strict control in accordance with Article 183 of the Criminal Code. Such control must be exercised at the very source. With regard to alcohol, we must, on the one hand, urge the people to strictly economize on the use of grain and to refrain from using rice for distillation; and, on the other hand, call for a decrease in the consumption of alcohol. In addition, localities must devise plans to rearrange those alcohol producing establishments located in their areas. State enterprises concerned must successfully organize the production of those kinds of alcohol which do not use rice as their base in order to meet the requirements of society. On the market, only the socialist trade sector and the retail agents of the state-run trade sector are allowed

to sell alcohol under the strict control of the trade sector's administrative management organs and of the state-run quality control organs.

As for cigarettes, state-run economic organizations must apply business procedures suitable to a pricing policy which, outlined in the resolution of the Second Plenum of the CPV Central Committee, is based on the principle of reaching a compromise over prices so as to enable us to buy large quantities of raw tobacco and cigarettes at the very source, from the collectively- and privately-run economic sectors. Those producers selling these products on the free market [thij truwowngf tuwj do] must pay tax in accordance with regulations now in effect. On the basis of planning and rearranging production, all factories must carry out production in accordance with contracts signed with the state-run trade sector in order to meet market demands in terms of category, quantity, quality, and delivery time. The state-run trade sector must expand its retail network and must use those who are selling cigarettes as retail agents. No licenses should be issued to private traders for dealing in cigarettes. With "native shredded tobacco" in particular, localities may issue business licenses to a number of private traders, depending on requirements arising from commodity circulation.

Regarding a number of agricultural, forestry, and fishery products which are under state monopoly for export and which are used by processing industries as essential raw materials such as sandalwood, anise, cinnamon, coffee, pepper, coconut flesh, shrimp (categories that have high export value), squid, etc..., no permits [as published] should be issued to private traders, especially those engaging in long-distance interprovincial business trips.

As for other agricultural, forestry, aquatic, and marine products, the people's committees concerned may, depending on the local situation, permit small traders to engage in retail services in the local market. With regard to a number of perishable products such as vegetables, fruit, poultry, meat, eggs, fresh-water fish, etc..., localities may consider issuing permits to a number of private traders for engaging in wholesale activities to the extent needed for commodity circulation, including long-distance circulation.

3. Regarding those goods imported through the non-trade channel, their legal owners have the right to use, give away, or sell them. State-run economic organizations must strictly abide by agreed-upon pricing policies and must, through the adoption of convenient purchasing methods accompanied by current financial settlements, try to get hold of a bulk of these sources of goods whenever they are sold by their owners.

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CSO: 4200/818

STATISTICAL DEPARTMENT REVIEWS AGRICULTURE

BK120403 Hanoi Domestic Service in Vietnamese 1100 GMT 10 Aug 87

[Summary] "According to the General Department of Statistics, the Southern provinces have thus far harvested some 180,000 hectares of summer-fall rice, or 20.5 percent of the transplanted area. The harvesting pace is 47 percent faster than the same period last year. The provinces in the Mekong Delta have harvested 106,000 hectares, or 17 percent of the transplanted area. The provinces in Eastern Nam Bo have harvested 4,500 hectares [as heard], or 12.3 percent of the transplanted area. The other provinces have harvested 3,600 hectares." [as heard]

Noteworthy is the fact that of the remaining summer-fall rice area, "some 55,000 hectares are affected by harmful insects and diseases, mostly in Hau Giang, Kien Giang, Long An, and Phu Khanh Provinces." Stem borers, brown bugs, and white bugs are destroying some 2,000 other hectares of rice in Dong Thap and An Giang Provinces and Ho Chi Minh City.

"Last week, the Northern provinces had basically completed the 10th-month rice transplanting. According to reports published by the General Department in Statistics, 97.3 percent of the planned norms have been fulfilled countrywide. The Northern provinces have fulfilled 99.9 percent of the planned norms. Hai Hung, Thai Binh, Ha Nam Ninh, and Binh Tri Thien Provinces have fulfilled or overfulfilled the planned norms. Some 165,000 hectares of 10th-month rice or 13.5 percent of the transplanted area, have been affected by harmful insects and disease. Most of the affected areas are in Thai Binh, Ha Nam Ninh, Thanh Hoa, Hai Hung, and Ha Son Binh Provinces."

Last week, as a result of very little rain and insufficient power supply, the drought-affected area still remains substantial. "According to the Ministry of Water Conservancy, as many as 310,000 hectares of farmland is still affected by drought." Most of the drought-affected areas are in the coastal provinces.

Also during last week, "some 202,000 hectares of subsidiary food crops have been grown countrywide, at a rate quicker than the same period last year by 2 percent." The largest cultivated area is for maize and potatoes.

The General Department of Hydrometeorology says that there will be no heavy rain next week. As a result, the Ministry of Agriculture and Food Industry

reminds the Northern provinces of the need to concentrate efforts on fighting drought, harmful insects, and diseases and on taking preventive measures against waterlogging. The southern provinces should accelerate the summer-fall rice harvest, actively protect the main rice crop and late rice crop from harmful insects and diseases, and intensively care for subsidiary food crops and short-term industrial crops.

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TECHNICAL ADVANCES APPLIED TO RICE PRODUCTION

SW131503 Hanoi VNA in English 1449 GMT 13 Aug 87

[Text] Hanoi VNA 13 August--The most prominent feature of the Sciempuc Research and Development Centre of the Can Tho University in Hau Giang Province (south of Hm Chi Minh City) is that the centre has created many new high-yield rice varieties and introduced them into mass production in the Mekong River Delta, the biggest rice producer in the country.

A number of high-yielding and short-term rice strains resistant to brown plant hoppers and tolerant to alkaline soil have been produced by a group of researchers headed by Prof. Vo Tong Xuan, a reputed agronomist who has been awarded the little "Labour Hero" by the State. One of these varieties, named IR36 or NN3A, has been widely grown in the provinces of Hau Giang, Minh Hai, An Giang and Dong Thap and it has proved quite sufficient in its resistance to crop pests, especially brown plant hoppers.

Prompted by the initial success, the centre is focusing on the hybridization of new strains in replacement of the old ones. In the 1980-82 period, with the assistance of the International Rice Research Institute, the new rice variety HT6 also called the NN6A was turned out by the Centre. By that time, it had produced the NN7A or MT130 and test produced several other high-yield rice varieties. The HNN7A has been planted on one third of the total acreage under rice crop in the Delta.

Apart from rice hybrids, the centre has built models for intensive rice farming and restructured rice and subsidiary food crops for many localities in the southern Delta.

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NORTHERN PROVINCES AFFECTED BY DROUGHT

BK141605 Hanoi Domestic Service in Vietnamese 0500 GMT 13 Aug 87

[Text] Due to the late rain, since the beginning of the summer-fall crop season, almost all northern provinces and cities have seriously been affected by drought. Although scattered rains were reported in many localities last week, the drought remains serious. Meanwhile, 10th-month rice, which is in the period of intensive care and fertilization, and summer-fall rice, which is in the blooming stage, are badly in need of water.

Faced with this urgent situation, on 6 August the Ministries of Agriculture and Food Industry, Water Conservancy, and Energy met to discuss measures and agreed that the electricity sector would give priority to supplying an electric output of 75,000 kilowatts for all pumping stations to operate on a 20-hour per day basis and another electric output of 25,000 kilowatts for various large pumping stations to operate on a 24-hour per day basis. The daily supply of electricity during the drought in all localities is 1.6 million kilowatt-hours.

The Ministry of Agriculture and Food Industry and the Ministry of Water Conservancy pledged that they would be ready to combat drought and satisfactorily care for and fertilize summer-fall rice and 10th-month rice, aiming for a high yield if conditions permit. However, five days after these three ministries announced the aforementioned decision, many localities noted that there had been no positive change and the situation caused by the drought remained extremely tense. As of 8 August, as much as 250,000 hectares of summer-fall rice and 10th-month rice in localities with pumping stations in the northern provinces and cities were still being affected by the drought. In many localities such as in former Ninh Binh Province as well as in Vu Ban District of Ha Nam Ninh Province, Que Vo District of Ha Bac Province, and various districts north of Ma River in Thanh Hoa Province soil had cracked.

In face of the present serious situation, all pumping stations are unable to reach their operational capacity and irrigational efficiency due to the insufficient supply of electricity as well as to the lengthy and repeated electrical outages that take place daily.

Cables from various localities indicate that so far there has been sufficient power supply for Thanh Hoa and Nghe Tinh Provinces. On the average, the daily power supply for small-scale pumping stations has stood at 16 or 18 hours.

Thus, the situation has improved slightly in the two provinces of the former 4th Zone. In contrast, there has been a short supply of electricity for the provinces in the Bac Bo Delta. There was total power failure on 7 August which affected such large-scale pumping stations in Hanoi, such as those at Tu Sa and Ap Bac where power supply is supposed to be maintained on a round-the-clock basis. Power supply was maintained for 8 hours on 8 August. Even at its peak on 10 August, it stood at only 18 hours. The same phenomenon was observed at various large-scale pumping stations in Hai Hung and Ha Son Binh Provinces where there has been a very large gap between power supply and demand.

The worst situation was observed in Ha Bac and Ha Nam Ninh Provinces. Since 7 August, there have been numerous power failures at almost all major pumping stations in Ha Bac Province. Frequent power failures happened at the various power line networks leading to the Tinh Xa, Tuyen Dung, Gia Luong, and Thuan Thanh pumping stations. Altogether, only 60 percent of the projected power supply plan has been fulfilled.

Ha Nam Ninh Province has been given top priority for power supply because it has the largest drought-affected area. Nevertheless, it has been the province most afflicted by power failures so far. A complete power failure occurred on 7 August at the Lam Trang and Co Nam pumping stations, two major stations. There was a power failure for 23 hours and 5 minutes on 8 August, 6 hours on 9 August, and 4 hours on 10 August. There have been frequent power failures at other major pumping stations at Coc Thanh, Huu Bi, and Nhu Trac. In Kim Son District alone, there has been no power for 4 days now. The power supply has been maintained for only 5-9 hours each day in Gia Vien, Duy Tuyen, Kim Bang, and Tam Diep Districts.

Inadequate power supply for the various pumping stations has caused serious concern among cadres and peasants. 10th-month rice and summer-fall rice are in a period of intensive care and fertilization. Therefore, they are in need of water. This is an extremely important, decisive factor for the paddy yield.

In the face of the urgent demand of the agricultural forefront, our peasants again hope that the power supply sector reviews and tackles unsettled problems in time so that our pumping stations can have sufficient power supply to cope with the drought, as was recently pledged by the Ministries of Agriculture and Food Industry, Water Conservancy, and Energy.

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NGHE TINH PROVINCE FIGHTS DROUGHT EFFECTS

BK141635 Hanoi Domestic Service in Vietnamese 2300 GMT 13 Aug 87

[Text] In the recent winter-spring cropping season, Nghe Tinh Province suffered a crop failure. Its grain yield was 90,000 metric tons less than last year. Its summer-fall and 10th-month crop production efforts are facing difficulties as a result of drought and insect infestation. In the entire province, there have been 31,000 hectares of rice stricken by drought. Meanwhile, rice bugs are spreading almost everywhere.

Faced with such a situation, Nghe Tinh has decided to concentrate on devoting all its sources of electricity, fuel, material, and other means to fight drought and eradicate rice bugs. The province has reduced its electricity consumption in order to ensure sufficient oil supply to the Do Luong diesel-powered electricity generating plant so it can maintain its uninterrupted operation.

The province has called for effective exploitation of water conservancy projects, for increasing the irrigation areas, and for motivating the people to make full use of all irrigation means and all sources of water in order to fight drought in the ricefields.

The province has launched a campaign to eradicate rice bugs and to gather insecticide and water pumps to help out key rice growing areas. It has mobilized its manpower to utilize many insect control measures such as catching insects with baskets, kerosene lamps, and traps in order to protect the ricefields at all costs.

Various sectors and echelons in the province are making good preparations for expanding the winter crop acreage and taking precautions against floods and typhoons with a determination to attain 440,000 metric tons of grain from the summer-fall and 10th-month crops.

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ECONOMIC

VIETNAM

BRIEFS

PRIVATE TRANSPORT SERVICES--Hanoi VNA 14 August--A provisional regulation has been issued by the Hanoi People's Committee to allow private citizens to run motor transport services on land and water. The regulation stipulates that all citizens or groups of citizens who have mechanized transport means and the necessary health and skill are encouraged to undertake passenger or freight transport by [word indistinct] car, three-wheel taxi, motor boat, ship, etc. The owners may conduct their means themselves or hire drivers. They must get permits from the City Transport Service and are exempt from tax in the first six months. Owners of private means must operate on given routes and during hours assigned by the transport service which also fixes the fees. Outside these hours and routes, they may offer services to customers on mutually accepted terms. The state, through its supply and home trade network will sell necessary materials, technical equipment, fuel, spare parts, etc., to the owners of private transport means, it also encourages and creates favourable conditions for them to buy, renew or repair their means and to receive spare parts and equipment from their relatives aboard. If they have bank accounts in foreign currencies they may ask the state to import transport means, parts and equipment. [Text] [Hanoi VNA in English 1519 GMT 14 Aug 87 OW] /12913

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